THE DYNAMICS OF CONTINGENCY: NEOLIBERAL REDEVELOPMENT
GOVERNANCE IN CHICAGO AND BUENOS AIRES

BY

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DISSESSATION

Submitted in partial fulfillment of the requirements
for the degree of Doctor of Philosophy in Geography
in the Graduate College of the
University of Illinois at Urbana-Champaign, 2012

Urbana, Illinois

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Abstract

Neoliberal redevelopment governance has been ascendant worldwide in the last two decades and has come to profoundly influence mainstream urban politics. This project seeks to understand these formations from a comparative vantage-point, focusing on the global cities of Chicago and Buenos Aires. The study critically interrogates these governances to determine the degree to which they have significantly different institutional affiliations, operations, and outcomes. At issue is an important notion in the theorizing of these governances: contingent neoliberalism. While nascent research has suggested the possibility of a strong contingent aspect to these governances, its specifics remain under-explored.

The intellectual merits of this project thus rest on a novel focus: the study of contingent urban neoliberalism. Current work on contemporary urban governance in the west, to date, peripheralizes the centrality of contingency. Common sets of institutions, interests, programs, and motivations are seen to permeate and characterize these governances across the enormous diversity of places (Brenner and Theodore, 2002; Hackworth, 2007; Peck 2001). My study, in contrast, probes the nuances of these features to reveal their rich specifics and place-rooted basis.

Using a cultural economy frame, my goal is not to marginalize the influence of structures that embed within capitalist economies and societies. Indeed, this is a foundational part of my study. However, I chronicle the inseparability of local-ness, place rootedness, historical specificity, human agency, and political variability that poignantly embeds within the human made operation and effects of locally circulating structures.
To the Sternbergs and my extended family in the US
Acknowledgments

I would like to thank my advisor, Professor David Wilson, for the patient guidance, encouragement and advice he has provided throughout my time as his student. I have been extremely lucky to have an advisor who cared so much about my work and professional development, and who has responded so patiently to the ups and downs of my research.

I also owe tremendous debt of gratitude to Professor Sara McLafferty and to Angelina Cotler, Associate Director of the Center for Latin American and Caribbean Studies. They both provided invaluable encouragement and I truly thank them for all they have done for me.

I am also very grateful to have received many research grants that helped me in various ways to develop this project and to conduct dissertation fieldwork in Buenos Aires and Chicago. These includes grants and/or fellowships from the Beckman Institute, the Geography Department, the Nelle M. Signor Scholarship in International Relations Program, and the Tinker Foundation.

Finally, I would like to thank everyone who has also encouraged me to have (lots of) fun while I developed and finished this project.

Last but not least, this research is dedicated to my family in Argentina and Hsiung, all of them this time and all of them in my heart.
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CHAPTER I:
INTRODUCTION
Introduction

Current research within urban political economy has identified the dramatic ascendency of neoliberal governance in cities across the globe (Brenner and Theodore, 2002; Peck, Leitner and Sheppard, 2007). Its salient characteristics are an emphasis on individualism, the drive to privatize state programs and operations, and the attempt to retrench the state with a special emphasis on shrinking the welfare state (Jessop, 1998; Brenner and Theodore, 2002; Harvey, 2006; Peck and Tickell, 2007). Widely seen and examined as a trans-local-ideal type, this entity has frequently been characterized as a monolithic and universal formation whose form, foundation, and impacts are remarkably similar across places (Brenner and Theodore, 2002; Peck, 2001).

This governance seeks to “re-entrepreneurialize” cities physically and socially in advanced capitalist societies. Critical scholarship has conceptualized the neoliberal city as an entrepreneurial apparatus directing its energies to achieving economic success, attracting investment, and inducing job growth in competition with other cities. In this context, it is a city in which local bureaucracies are progressively transferred to non-state and quasi state bodies (Jessop, 1998; Peck and Tickell, 2007). Planning and growth decisions are increasingly driven by cost-benefit calculations rather than missions of service, equity, and social welfare (Brenner and Theodore, 2002; Leitner, Peck and Sheppard, 2007). Moreover, these governances now ostensibly offer an unparalleled harsh and punitive justification for their policies, programs, and growth trajectories (Smith, 1996; Keil, 2002). Residents are expected to behave responsibly, entrepreneurially, and prudently or face flagrantly punitive consequences. All these manifestations have been accompanied by critical social outcomes (e.g., deepening patterns of residential segregation, intensifying the informal balkanizing of populations, exacerbating
poverty in neglected neighborhoods), making neoliberal governance (its redevelopment programs) a crucial formation worthy of examination.

This study is concerned with these neoliberal redevelopment governances. Of particular concern are the redevelopment governances in two large urban centers, Chicago and Buenos Aires. Chicago today is characterized by growing disparities between prosperity and poverty which is manifest in swaths of gentrified housing and upscaled downtowns set in a broader reality of disinvested and struggling communities (Peck and Tickell, 2002; Wilson, 2006, Wacquant, 2008). In a similar fashion, Buenos Aires has experienced major increases in poverty, deprivation and segregation. For example, in 2006, the income gap between the richest 10% and the poorest 10% increased 17% compared to 1998 (Rodriguez et al., 2008). At the same time, dramatically upscaled and gentrified neighborhoods now flourish particularly in the south areas in Buenos Aires.

Yet, neoliberal redevelopment governance has recently become a highly contested term in urban political economy. City officials and privileged real-estate and finance capital, faced with varying local conditions and challenges, adjust their redevelopment strategies accordingly in their pursuit of power, prestige, and capital accumulation. Specifically, neoliberal redevelopment governances, driven by the goal to resuscitate the city as a site for capital accumulation and competitiveness, must negotiate cultural norms, identity configurations (i.e., race, ethnicity, religion), normalized discursive practices, existing spatial structures (i.e., public housing), and varying degrees of resistance and political mobilization that altogether shape the differential trajectories and outcomes of redevelopment projects. In short, redevelopment governances must remain adept to such varying local conditions to be able to unfold

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1 In this context, the capitalist imperative to fill the “rent-gap” (Smith, 1996) merely represents one dimension – the economic – within a web of co-constitutive dimensions dialectically-fused within the process of neoliberal gentrification.
redevelopment projects successfully. People must also be mobilized and effective engagement strategies devised. Discourses have to activate people and implement strategies that can shape and change the actions of redevelopment governances (e.g. discourage the intention of developers to gentrify a neighborhood, compel more investment in poor communities, and/or induce the state to build or protect more affordable housing).

Thus, many now suggest that neoliberal governance is too complex and variegated to be considered a singular, monolithic formation (Brenner et al., 2010; Keil, 2002; Leitner, Peck and Sheppard, 2007; McLeod, 2002; Mitchel, 2001; 2004; Peck and Tickell, 2007; Wilson and Wouters, 2003; Wilson, 2004, 2007). This group of scholars has especially argued that neoliberal redevelopment governance is constituted in the richness of distinctive localities and interacts in settings marked by distinctive political cultures and cultural milieus. In this context, my study works through the sense of a middle ground between these extremes. It is suggested that these formations are embedded in and constituted through conjunctural settings where the unique and generalizable meld in a dynamic fluidity to render all places significantly distinctive but also meaningfully generalizable. In other words, I chronicle, this governance is deeply geographically-historically specific even while there are key commonalities in their formation and operation (Keil, 2002; McLeod, 2002; Leitner, Peck and Sheppard, 2007; Wilson 2004).

In this context, this work presents the operation of Buenos Aires and Chicago’s neoliberal redevelopment governances according to four dimensions of study. This study focuses on two main areas, La Boca and San Telmo in Buenos Aires and Pilsen in Chicago. In this work, I chronicle these settings as historically low-income/working class spaces that have recently begun to be physically and socially transformed into profitable sites for real-estate and financial capital
investment. My study suggests that a surprisingly complex, contingent redevelopment governance now engages both areas.

This dissertation will contribute to our understanding of contemporary neoliberal redevelopment governances in several ways. Firstly, the intellectual merits of this project rest on a novel focus: the study of contingent urban neoliberalism. Current work on contemporary urban governance, to date, widely peripheralizes the centrality of contingency. To understand this emergent redevelopment governance, it is suggested, common sets of institutions, interests, programs, and motivations are seen to permeate and characterize these governances across the enormous diversity of places (Brenner and Theodore, 2002; Gough, 2002; Hackworth, 2007; Peck, 2001; Wacquant, 2008). My study, in contrast, probes the nuances of these formations to reveal the intensity, magnitude and nature of these formations as contingent elements. In the process, I assess the contingency of these formations through the veracity of four central dimensions whose centrality as ‘contingent axes’ will be determined.

Secondly, this research uses a cultural economy frame and conjunctural ontology that will allow me to produce a wealth of new insights about the dynamics of these governances. I will therefore chronicle the inseparability of local\(^2\)-ness, historical specificity, and human agency, that poignantly embeds within the operation and effects of locally circulating structures.

Thirdly, Chicago and Buenos Aires are barely explored case study sites in a burgeoning comparative perspective about this governance. Comparative research on the contingency of neoliberalism has addressed US and European cities to the neglect of Latin American cities.

\(^2\) To note, I use the term “local” to reference a conjunctural ontology involving the interconnections of different spatial scales. Local, therefore, is seen to embody multi-scale processes that cannot be related to just a “local” scale of analysis.
**Theoretical framework**

This research project will be grounded within an analytical framework centered upon a cultural economy perspective and a conjunctural ontology. In this context, the project will apply four dimensions to operationalize the sense of neoliberal contingency: (1) its historical and geographic specific constitution, (2) its complex cultural nature (3) its production and use of space (4) and its fluid and evolving character.

Cultural economy, briefly stated, is an emergent perspective that sheds light on the likes of urban form, urban problems, and redevelopment governances by recognizing the inseparability of cultural and economic realms. Culture and economy are identified as being involved in a dialectical interplay; one ceaselessly makes the other in a continuous coalescing of forces that renders these spheres ontologically inseparable. Doing cultural economy, then, means acting on the assumption that economics do not merely operate in a cultural vacuum, but are performed and enacted through stocks of knowledge and discourses which infuse it with form, coherence, and legitimacy. In this study, a cultural economy perspective is key to critically examining the system of meanings and common understandings within discourses that neoliberal urban programs and institutions deploy to build normalcy, legitimacy and justify their operations (cf. Weber, 2002; Wilson et al., 2003). For example, before spaces and people can be accepted as objects for restructuring they must be constituted as something comprehensible, i.e., symbolically coded (e.g. vilified, stigmatized) through the use of common understandings which demarcate the likes of villains, victims, salvationists, and ominous forces.

To posit a conjunctural ontology is to recognize the complexity of forces and processes that circulate through everyday life to build, animate, and direct the likes of redevelopment governances. Here, contingency and generalizability dynamically embed as humans always
construct these political governances through historical understandings, contemporary stocks of knowledge, and prevailing meaning systems in geographically specific settings and in distinctive historical moments. Here, the traditional distinction between agency and structure is collapsed to recognize the reality of inseparable and embedded forces fusing within each other. In this sense, urban governances are constructed within new economic and political imperatives but through grounded practices, understandings, and histories.

In this context, I propose that neoliberal governance needs to be examined along four dimensions: they are constituted and reproduced as historically and geographically specific forms in local settings, they are complex cultural projects, they are enabled by production and use of space, and they are fluid, contested and evolving processes.

Four dimensions of study

First, this project suggests that these formations are embedded and constituted through a succession of grounded practices, i.e. situated political cultures, economic bases, social hierarchies, active resistances and institutional legacies. In other words, this governance is deeply geographically-historically specific in all cities whose daily activities and practices operate to constitute it. This project thus rejects the idea of this governance as external, pre-formed, and prior to individual actions (Wright, 1989). Second, it is fruitful to see neoliberal redevelopment governance as complex cultural projects which continuously absorb and deploy common understandings of the world’s processes, people and places to acquire legitimacy. Culture, in this sense, is to be critically interrogated as mobilized, used, and put in the service of neoliberal redevelopment governances. Thus, neoliberal redevelopment governances work to silence some cultural forms and encourage others. In order to put best cultural forms forward,
some have to be cultivated (for example, ‘aesthetic-livable communities’) and others eliminated (for example, ‘underclass culture’, ‘industrial aesthetics’, ‘black ghetto life’).

Third, this formation can be seen to rely on making and using divergent kinds of space, i.e., both discursive and actual (material) spaces, to be operative apparatuses. Swynedouw (2000) and Peck and Tickell (2007) discuss space as the crucial medium and outcome of operation of neoliberal governance (i.e., a primordial essence scaled, coded with meanings, and physically structured in the service of neoliberal politics). In this sense, I focus on the production of absolute, material space that can directly assist the fostering of social relations and economic processes that directly enable the neoliberal project to unfold (e.g. gentrified neighborhoods, historical preservation programs, urban redevelopment projects, etc). But I also focus on the creating and mobilizing of discursive spaces. Such space, Doreen Massey's (1992) grounding medium in discourse, simultaneously frames, organizes, and illuminates ‘facts’ about people and processes (that is, resident identities and anti-neighborhood agents). This space is as important to constituting these identities as is any resource used in discourse.

Fourth, neoliberal redevelopment governances can be seen as complex, fluid, and forever evolving formations. Here, these formations continuously negotiate and adjust to shifting social, political and economic circumstances. Thus, its rhetoric and actions change and evolve in response to multiple things: changing political realities, actual contestation, morphing social times, and to new opportunities for redevelopment and development. For example, even in the height of ascendancy, much evidence chronicles that neoliberal operations are continually under

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3 I engage Lefebvre and define this space as the crafted and codified (sometimes institutionalized) landscapes of the imagination which, with narrative, constitute ‘stocks of understanding’ via discourse (Liggett, 1995; McCann, 2000). These spaces are thus seen as sets of narrated maps in discourse (for example, the ghetto; the ethnic enclave; the city; the global flows; the downtown) that function as visual rhetoric. Serving potentially diverse political projects, they illuminate absolute realities through which to know people and processes. They help make ‘facts’ about people and processes as representations of reality lodged in narrative.
forms of contestation that are always being negotiated and responded to (see Peck, Leitner, and Sheppard, 2007; Sheppard and Leitner, 2010). At the same time, neoliberal actors and operatives are forever mediating the vagaries of cultural and political conditions and landscapes as they realize that they must work through changing sensibilities. In this sense, this formation becomes more a process than a sedimented, determinative apparatus or a finalized project (Tickell and Peck, 2003).

These key contours of the governances that I investigate are crucial in my study: they guide the investigation to unearth the magnitude and intensity of contingency that is associated with the current character of these formations.

**Methods and data**

This project focuses on the urban redevelopment policies and programs developed since 1989 in Buenos Aires and Chicago. In the case of Chicago, the US federal government continued to cut long-standing redevelopment programs and their funding as the Daley II regime officially came into office. Daley immediately rode the crest of neoliberal times to begin a redevelopment focus that would re-focus government to become more business oriented, operative in public-private partnerships, and concentrative of resources to select “multiplier” spaces. In the case of Buenos Aires, the 1990s unfolding of structural adjustment policies across the country re-sculpted the city redevelopment governance to be more business-astute, supportive of real-estate capital’s drive for gentrifying neighborhoods, and to temper its traditional role of ensuring equity in redevelopment dynamics.

The selection of these case studies has been preferred over other global cities based on the following criteria: a) both Chicago and Buenos Aires are large and globally connected world
cities; b) they have been previously narrowly characterized as cities constructed by the same macroeconomic forces and impacted in the same manner; and c) this study will be the first one that chronicles neoliberal redevelopment governances in a comparative analysis of two cities with different cultural settings. In particular, this study will be focused on Pilsen-Chicago, and La Boca and San Telmo-Buenos Aires. Each neighborhood’s assemblage of governance actors represents a neighborhood-specific manifestation of the broader, city-scale governance within which each of them is situated. Regarding Pilsen, I chose to do research in this site for three reasons: 1) redevelopment projects have progressively moved ahead after 1995 (although this has slowed down since 2008), 2) redevelopment projects have had a major impact on its social and physical landscape- to note, some studies have said that an estimated 5,000 residents in Pilsen have already been displaced from their homes (Gamboa, 2001), 3) the area has a rich and controversial history of previous attempts to revitalize the area. La Boca and San Telmo will be the focus of my study in Buenos Aires considered leading edges of consolidated redevelopment governance. To facilitate the purposes of this study, I will consider both neighborhoods as one geographic unit, popularly referred to “the south area”. However, I will treat both neighborhoods separately only to describe specific urban policies that require more detailed analysis and attention. I selected this site for three main reasons: a) redevelopment projects have progressively moved ahead after 1998 experiencing a critical slowdown in 2001-2002; b) redevelopment projects have had a major impact on its social and physical landscape- to note, some studies have revealed that around 20 percent of the population had to move to the suburbs

4 Although this study is not examining racial gentrification, it could be argued that it is an interesting case to examine the recent new trends of racial gentrification unfolded compared to cases of white-led oriented gentrification (Lincoln Park, Bucktown, Wicker Park).

5 Although the south area has been officially limited by San Telmo, La Boca, Barracas, Nueva Pompeya, Villa Lugano, Villa Soldati, Bajo Flores and Mataderos neighborhoods (UEC, 2000), only San Telmo, La Boca and Barracas are popularly associated with and mostly referenced to the south area (see Herzer, 2008); a historical and spatial legacy that dates from the European immigration.
in search for low rents and property taxes between late 1990s and early 2000 (Interview with Professor of Sociology, January 4, 2010); c) the growing number of policies and programs implemented to revitalize the area compared to other areas in the city.

Finally, the study acquires its data through the use of qualitative techniques: open-ended interviewing and appraising research reports, deconstructing technical documents, and deciphering newspaper articles. Open ended interviewing involved engagements with prominent actors: builders, developers, realtors, and community activists. This data was supplemented by conducting a content analysis of technical documents and newspapers that focused on local issues (Chicago Tribune, Chicago Sun-Times, Chicago Daily Defender, Chi-Town News, Clarín, La Nación and Página 12). I also deconstructed the content of a variety of blogs, online web sites, and public/private reports to examine the processural unfolding of these governances between 1989 and the present. Using this multiplicity of methods enabled a detailed, rich data set to be constructed. It also allowed for a rigorous cross-verification of findings to occur that enhanced the veracity of the data base. To ensure credible responses from interviewees, they were promised anonymity via the granting of pseudonyms in the paper if they preferred.
CHAPTER II:
NEOLIBERALISM, ITS DIFFERENT APPROACHES AND
ITS CONTINGENCY
**Different approaches**

Neoliberalism, in one dominant definition of the term, references a mode of political thought that privileges a small government apparatus, the rights of individuals, and the prowess of private markets. In the process, it rejects the creation of a large, actively interventionist state and the idea that structures determine material realities in societies. This mode of thought is widely associated with the ideas of Friedrich Hayek (1944; 1960) and Milton Friedman (1984; 1962). Following Hayek’s principles of classical liberalism, Friedman provided an important update with his economic premise that the free market is a perfect scientific system. To Friedman, individuals acting on their own self-interest and desires optimize their own material standing and create maximum benefits for all (1984; 1962). Here, the greatest good would be encouraged by using government in very specific circumstances and only as a protector and arbitrator of free exchange (in Hackworth, 2007). The underpinning logic of these principles is that government is meddlesome, obtrusive, and throws off ‘natural’ supply-demand relationships to introduce inefficiency and bureaucracy in markets and across society. In “Capitalism and Freedom” (1962), Friedman proposes three economic tools to achieve a pure state of free-market popularly known as the ‘free-market trinity’: privatization, deregulation and withdrawal of the state from many areas of social provision (e.g. health, education, housing). His anathema is the welfare state — an entity that in many countries plays the primary role in protecting and promoting the economic and social well-being of its citizens. Here the state is deployed to promote equality of opportunity, equitable distribution of wealth, and public responsibility for those unable to avail themselves of the minimal provisions for a good life.

In the 1980s, the ascendancy of neoliberalism led to it achieving a near-hegemonic status through the Thatcher and Reagan administrations. This era was marked by a dramatic cutting of
social programs, urban policies, and regulative ordinances in a diversity of spheres (the workplace, the operation of the economy) (Hackworth, 2007). By the 1990s, neoliberalism had become naturalized as the proper mode of governance in a variety of geo-institutional contexts; most profoundly, perhaps, in Latin American countries such as Chile, Argentina and Mexico that experienced sustained economic difficulties (Klein, 2007). There, the infamous Chicago Boys, the global institutions IMF/World Bank, and bond rating agencies pushed to aggressively implement structural adjustment policies, following Friedmans’ holy trinity: privatization, deregulation, and cuts in social spending.

Yet, this concept has been used to refer to a whole range of things, outcomes and processes. To Ward and England (2007:11-14), there are four ways to approach this concept. First neoliberalism is recognized as an ideological and hegemonic project. This understanding refers to the political (and cultural) dominance that is exercised through the formation of class-based alliances-elite actors, institutions, and other representatives of capital at a variety of spatial scales, who produce and circulate a coherent program of ideas and images about the world, its problems, and how these are best solved (Keil, 2002; Peck, 2010). This is not to say that this view of the world is something imposed to the ‘subalterns’ but it is through the ‘willing consent’ that these core constructs permeates common sense. For example, the rise and acceptance of the entrepreneurial city, at the forefront of rendering this space tautly business-like and competitive, is the expectation of the citizen to behave entrepreneurially and to identify themselves as responsible for their own successes and failures (Ward and England, 2007).

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6 During the 1970s, these scholars were a group of young Chilean economists who were trained at the University of Chicago under Milton Friedman and Arnold Harberger. Later the training was extended to other Latin American countries such as Argentina and Uruguay. The training was the result of a "Chile Project" organized in the 1950s by the US State Department and funded by the Ford Foundation, which aimed at influencing Chilean economic thinking. The project was unsuccessful until the early 1970s.
Second, neoliberalism as policy and program, refers to the transferring of power/responsibilities/regulations from the public to the private sector, with the concomitant redefinition of these categories. The policies and programs that illustrate this understanding are the ones related to deregulation, privatization, decentralization and liberalization. Again, the underpinning logic of these policies is that government is inefficient to regulate the economy and society and therefore, all the responsibilities should be transferred to the market (Ward and England, 2007:11).

Third, neoliberalism refers to a state form. This understanding references the quantitative and qualitative restructuring of nation-states, involving redrawing the boundaries between civil society, the market, and the state. Conceived this way, neoliberalism is the ‘rolling back’ (focused narrowly on market logics to accomplish the destruction of an entrenched welfare-state Keynesian) and the subsequent ‘roll out’ of new policies and institutions (from workfare programs and penal systems to partnership-based modes of urban governance and community regeneration). These facilitate something important: a more stable sociopolitical infrastructure for neoliberal strategies of capital accumulation (Peck and Tickell, 2002).

Fourth, neoliberalism can be seen as a form of governmentality. This understanding refers to the ways in which relations among and between peoples and things might be imagined, assembled, and translated, to effect political management at a distance (Larner, 2002). Both the economy and the state are involved in the construction of something essential to a society:

7 To Foucault (1991), governmentality is the way government is practiced that defines and characterizes the specific nature of the state as a governing institution- not the other way around. That is to say, there is nothing natural about in the state that enables it to govern or defines how it governs, but rather it is the ideas about, and the conditions and means of governing that determines the viability and success of the state and the institutional forms it may take. The success of the state or the art of government is dependent on how well ‘the right manner of disposing things’ and security are accomplished. The task of the state, then, is to achieve the maximum control, regulation and will consent of its population with minimum economic and political cost to itself. In general, governmentality can be understood as the establishment and exercise of political power, one in which the concept of government goes beyond the state’s management. It also involves the regulation of populations through multiple institutions and technologies in society.
autonomous, responsibilized ‘neo-liberal subjects’ (Rose, 1996). Through privatization and personalization, neoliberal governmentality aims at transforming recipients of welfare and social insurance into entrepreneurial subjects, who should be disciplined to become responsible for themselves. Such a project of transformation may be based either on a social work model of helping, training, and empowering, or on a police model of governing every aspect of life (Ward and England, 2007).

On the urban front, urban neoliberalism has emerged across America and beyond. At the heart of this has been a kind of governance that has turned away from concerns about resource redistribution to concerns about resource attraction (Harvey, 1989, 2006). Here the bringing in of wealth, jobs, and investment is seen as of paramount concern. Set against this, who the recipients are of these resources has increasingly been peripheralized as central policy. Thus, the domain of distribution has increasingly been supplanted by the domain of “growth” and resource attraction. In addition, urban neoliberalism has taken to explaining urban problems and urban possibilities through the lens of the autonomous and responsible subject. Persistent dilemma of the U.S. city, for example – crime, blight, poverty, unemployment, under-employment - has increasingly been cast as individual failures rather than societal structural outcomes. In this context, residents are expected to behave responsibly, entrepreneurially and prudently. They are said to be responsible for their own successes and failures.

Neoliberalism as a contingent construct

Urban neoliberal governance has been now widely centered as an analytical object in Anglo urban studies and urban geography. Initially, studies of this object have assumed a spatially invariant entity with common features that span the wealth of different cities in places like America. So, such governances in cities like Chicago, Los Angeles, New York, Boston, and
Baltimore have been posited as sufficiently similar in their membership, goals, values, use of discourse, and policy tools used. This has facilitated the drive to uncover countrywide facets and attributes of this entity.

Recently, this assumption has been challenged. In particular, researchers have increasingly recognized the possibility that these governances could be distinctively different and distinctive across places. In this setting, defining neoliberal redevelopment governance and its influences has become a highly contested term within critical urban geography. Many now suggest that neoliberalism is too complex and variegated to be considered a singular, monolithic formation, or that its implementation is so locally contingent that we cannot plausibly speak of one ideal-type placeless neoliberalism (Mitchell, 2001; Keil, 2002; McLeod, 2002; Wilson, 2004, 2007). The last group of scholars has argued that we need to recognize that neoliberalism is constituted in the richness of distinctive localities. That is, the economic structure, political culture and history of a place determine to a large extent the specific forms that neoliberalism takes “on the ground” (Mitchell, 2001; Keil, 2002; McLeod, 2002; Wilson, 2004, 2007). In addition, these recent studies contend, acts of contestation and resistance continually negotiate the boundary between neoliberal instrumental rationality and the normativity of everyday life. The pressures of neoliberal operations are very real, but it does not follow that it is immune to the influences of contestation (Leitner, 2007). In short, neoliberal redevelopment governances (institutions, programs and policies) find it necessary to maintain certain state provisions and acknowledge human rights. As such, these scholars argue that it is incomplete and misleading to frame the imposition of neoliberalism as a completely top-down project. At the national scale, we can have cities caught up in the same economic circumstances and desires to restructure. But
in the world of evolving places, “we see a patchwork of wildly varying neoliberal governances that often barely resemble each other” (Wilson, 2004: 772).

The reasons for an emphasis on contingency are as varied as the intellectual strategies used to make these arguments. One main reason is rooted in a concern about the construction of language in relation to its empirical referent. Many are concerned that ideal-type neoliberalism elides the discursively constructed nature of the ideology (Hackworth and Moriah, 2006). Others are concerned politically with the discursive portrayal of a concept that is monolithic, omnipresent and largely impossible to contest (Gibson-Graham, 2006). According to Hackworth and Moriah (2006) another reason is rooted in the fact that much of the literature on contingent neoliberalism is derived from the discipline of geography, which has long been characterized by a tension between the search for nomothetic spatial laws and the recognition of idiographic places.

Yet, in my reading of this recent literature, much of the work on contingency lacks precision and specificity. These works do not offer nuanced appraisals of what processes and forces drive this contingency. Contrarily, the work of Wilson (2004) does provide four main different dimensions that define the general parameters of this contingency. In addition, the work of Wilson and Sternberg (2012) has recently focused on the processural character of neoliberal governance, chronicling the manifestation of a shifting rhetoric circa-2005 within Chicago’s redevelopment governance in both the Bronzeville and Pilsen neighborhoods. Yet, comparative analysis across cities remains speculative since these attempts are only superficially informed by empirical work. In this context, this research plans to deepen the interrogation of neoliberal contingency and the explanations for this.
Central to my endeavor is to highlight the importance of and use of comparative, empirically informed analysis. Without a rigorous, empirically-based anchor plugged into comparative analysis, the understanding of this flourishing governance in all of its possible, rich contingencies will remain speculative and incomplete. I, thus, take up this focus in this study by interrogating the contingency of neoliberal redevelopment governance in two cities, Chicago and Buenos Aires.

Finally, the definitional issue. To operationalize this research, I use the term “neoliberal redevelopment governance” to get at the physical and social transformation of urban space in my two case study cities. I identify this as a central subset of neoliberal governance – it is its central manifestation in the land and property restructuring realm—that carries the “neoliberal project” to this particular domain. For this study, I define neoliberal redevelopment governance as the policies, programs and procedures, and assemblage of institutions (builders, developers, financial institutions, the local state and auxiliary institutions including, media, universities, chambers of commerce) that unify around a common vision of city redevelopment and push to make this a reality. Such institutions work collectively to create planning agendas, bolster such plans through the creation and usage of discursive formations, and implement redevelopment projects through tools and policies. Thus, neoliberal redevelopment governance is more than simply producing and rationalizing new policies and procedures; it also means working through knowledge, visions of the city, its people, and its processes whose origins lie in humanly created stocks of human sensibilities (Wilson, 2007). I also support the notion that this governance is fluid and processed-based, i.e., it evolves in response to changing political realities, contestation and obstacles for development and redevelopment.
CHAPTER III:
NEOLIBERAL GOVERNANCE ASCENDANCY IN THE U.S. AND THE
REDEVELOPMENT GOVERNANCE IN CHICAGO
**Neoliberal governance ascendency**

In the 1960s and continuing into the early 1970s, federal redevelopment policies in the U.S. sought to upgrade blighted neighborhoods and reverse decaying inner cities. A plethora of programs – urban renewal, the community development block grant program, historic preservation, urban homesteading – were the major initiatives (Hirsh, 1983). However, by the 1970s, this federal model of redevelopment had inaugurated some degree of reinvestment but also, ironically, exacerbated disinvestment, decay, and racial tensions across vast city spaces (Gotham, 2001). During the mid to late 1960s, the riots in Chicago, Cleveland, Detroit, Kansas City, and Los Angeles became illustrative of a decade of massive displacement of people and neighborhoods due to these programs, particularly urban renewal and its clearance of “slums” (Gotham, 2001: 10). This policy was criticized by liberals -- who blasted urban renewal for destroying neighborhoods – and by conservatives -- that castigated this as an exemplar of “big government”.

David Bartelt (1993) identifies two faulty assumptions embedded within the urban renewal program concerning the causes and consequences of urban disinvestment. First, the program assumed that private capital would flow into renewal areas once officials had cleared blighted structures, relocated previous occupants, and rebuilt infrastructure. However, what usually happened was that large-scale clearance produced vacant lots and abandoned dwellings (Gotham, 2000; Sanders, 1980; Weiss, 1980). Second, urban renewal policies assumed that residents within affected areas would support large-scale clearance of their impoverished neighborhoods as evidence of improvement and progressive change. In fact, many affected residents opposed urban renewal efforts because of their destabilizing and segregative consequences (Bennett, 1986; Hartman, 1966). Other authors also note that urban renewal gained increased opposition because local officials often designated tax subsidies and other federal resources for the
expansion of universities, hospitals, large corporations, and other elite institutions that tended to employ middle-and upper income residents rather than lower-income inner city residents (Bartelt, 1993; Kleniewski, 1984; Squires, 1991).

In 1974 the federal government decided to discontinue the urban renewal program. Instead, a period of shrinking federal resources, devolution of policy implementation to state governments, and increased reliance on neoliberal policies increasingly became the core features of federal urban policy (Fainstein and Fainstein, 1986; Gotham and Wright, 2000). America’s federal government was fundamentally restructured in the early 1970s. Maintaining collective consumption levels -the basis of Keynesian economic regulation- was supplanted by the pursuit of unregulated economic growth. The American inner city became increasingly removed from the economic mainstream with an enormous concentration of the working and the workless poor (Wilson, 1987). Direct expenditures to localities were cut during the 1980s supported by the neoliberal rhetoric of returning power to the local. Cities like Chicago, Cleveland, and Indianapolis became more entrepreneurial in part to cover the budgetary shortfalls that accompanied this transition (Harvey 1989; Leitner 1990).

In short, since the 1970s, U.S. cities have developed new strategies and tools for engineering urban redevelopment in response to broad economic changes and shifts in the nature of federal intervention. As an example of these tools: The federal government replaced the urban renewal program with the Community Development Block Grant Program (CDBG) that gave cities more control and discretion over the use of federal funds. With the new CDBG program, the amount of money assured solely for urban renewal areas was now competing with demands for federal assistance from all areas of the city. In this way, cities could use federal money to
revitalize moderately deteriorating areas, little money would be spent in the most deteriorated areas, or in healthy areas that could survive without federal assistance.

Other federal initiatives for subsidies to private development were implemented such as the 1977 Housing and Urban Development Act, which created the Urban Development Action Grant (UDAG) program to dispense funds to local governments to encourage private investment in economically depressed areas. Neoliberal initiatives such as enterprise zones and empowerment zones have accompanied the proliferation of new forms of local tax subsidies such as tax abatements, industrial revenue bonds, business improvement districts (BIDS)\(^8\), tax increment financing (TIF)\(^9\), and the rise of community development corporations (CDCs)\(^10\) (Gittel and Wilder, 1999; Gotham, 1998; Gotham and Wright, 2000; Harrison and Bluestone, 1988; Marcuse 1993; Squires, 1991, 1989).

These new strategies and policy tools reflected a wholesale shift in the priorities of local governments, which increasingly became less concerned with issues of social redistribution and provision of public services in favor of promoting economic competitiveness, attracting investment capital, and creating a favorable business climate (Leitner, 1990). The results of these measures have been especially profound in Chicago: gentrification has proceeded ahead, as we will later see.

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\(^8\) A business improvement district (BID) is a defined area within which businesses pay an additional tax or fee in order to fund improvements within the district's boundaries. Grant funds acquired by the city for special programs and/or incentives such as tax abatements can be made available to assist businesses or to recruit new business.

\(^9\) Tax Increment Financing (TIF) is a development tool. The city declares an area “blighted” and unlikely to be developed without the diversion of tax revenues. At the moment a municipality creates a TIF district, the sum of all the properties and the property taxes they represent within the district is tallied up and frozen. As economic development increases within the district, any new property taxes generated above the frozen rate are kept in a special account not subject to normal municipal budgetary appropriations or claims by other taxing bodies to support development. TIFs pay for everything from infrastructure to direct grants to developers.

\(^10\) The CDC is a broad term referring to Community development corporations are non-profit, community-based organizations that anchor capital locally through the development of both residential and commercial property, ranging from affordable housing to developing shopping centers and even owning businesses. First formed in the 1960s, they have expanded rapidly in size and numbers since.
In Chicago, the focus of this study, this “neoliberalizing shift” was paralleled by an undercurrent that was to further socio-spatially polarize the city: deepened deindustrialization and service sector growth. Like other Midwestern cities, Chicago’s economy underwent significant changes after 1975 that were intensified by the internationalization of the economy (i.e. the integration of national economies into the global economy through trade, foreign direct investment, capital flows, migration, and the spread of technology). In the initial stage of the de-industrialization, manufacturing relocation to suburban areas was a key marker (Demissie, 2006).

In Chicago, city-wide manufacturing employment between 1958 and 1972 increased from 329,000 to 389,000. However, from 1972 to 2000, manufacturing employment plunged by nearly 267,000 jobs (Department of City Planning, 1958; US Department of Labor, in Demissie 2006). As described in Koval (2006), two economics evolved in Chicago: low-wage unskilled jobs and high-wage white-collar jobs. This polarized market collectively comprises more than 55 percent of the approximately 55,000 new jobs created per year in Chicago between 1990 and 2005 (see Koval 2006; Bennet et al., 2006).

By 2000, Chicago had amassed the largest concentration of high-tech workers in any U.S. city, and the second largest number of low-wage unskilled workers (Moberg, 2006; Koval et al., 2006). Moreover, as a greater proportion of jobs became low-wage service sector, propelled by the ascendant service economy, increased poverty was anything but surprising; the share of workers earning less than $7.00 per hour doubled between 1983 and 2004, from 2.7 to 5.4 percent (in Wilson and Sternberg, 2012).

The restructuring of manufacturing and the suburbanization of jobs have had a profound impact on the geography of local employment, producing devastating effects in Chicago and its neighborhoods (Demissie, 2006). Remarkably devastating in the South Side and West Side,
economic restructuring, deindustrialization, and the shifting geography of employment have especially undermined working-class African American and Latino neighborhoods. These neighborhoods have been further marginalized by punitive public policies, most conspicuously in the housing sphere (Demissie, 2006). In terms of public housing, the aggressive scaling down and transformation of the city’s public housing has been nothing short of dramatic. Thus, Chicago in 1999 inaugurated its Plan for Transformation, offered by the Chicago Housing Authority in conjunction with the federal government. It unleashed a massive demolition of high-rise public projects across the city. In the program, more than 80,000 Chicago residents (mainly on the South and West Sides) were at least temporarily displaced to new homes (Bennett et al., 2006). In Bronzeville, the South Side’s area of greatest public housing concentration, the demolition of Stateway Gardens, Robert Taylor Homes, Dearborn Homes, Ickes Homes, and Madden Park-Wells-Darrow Homes (between 2002 and 2006) cleared more than 140 acres of land, half of which was targeted for private-sector redevelopment (Wilson et al. 2004).

By 2005, Chicago’s socio-spatial fragmenting had become exacerbated. This would accelerate shortly thereafter with the onset of the Great Recession. Thus, with the burst of the housing bubble in 2008, a ripple effect reverberated across most other sectors of the local economy (Wylie, 2011). Growing mortgage foreclosures, blocks of shuttered homes on the south and west sides, and a shockingly moribund real-estate sector shot through the local economy, pummeling businesses, industries, and the local tax base that eviscerated local economic conditions. Foreclosures here were seven times the national average of 1.2 percent (Hughes, 2007). In this context, the streets of Chicago increasingly reflected a series of economic hardships: growing homelessness, increased unemployment and underemployment, and a dramatically lessened number of facilities to engage young people after school, during summers,
and when unemployed (Wilson, 2006). Moreover, social service agencies that once relied on public funds had severely contracted or disappeared as well as public housing funding opportunities (Wilson, 2006). New funding priorities have meant block grant cutbacks for housing and social projects of more than 25 percent in the last six years (Wilson, 2006). Only a few minutes from downtown, it seemed too many, these neighborhoods reflected a different reality.

**Chicago’s neoliberal redevelopment governance**

Chicago’s era of neoliberal redevelopment governance began with the rise of Richard Daley as mayor in 1989. From the outset, Daley and his alliance of institutions have sought to promote Chicago as a global city. This alliance has focused on physically and aesthetically upgrading the Loop and its adjoining neighborhoods. The goal has been to beautify downtown parks, streets, and plazas, promote gentrification, and build an international, glittery downtown.

This ongoing neoliberal redevelopment governance has relied on two main institutions: local government and a public-private civic group, the Commercial Club of Chicago (CCC)\(^\text{11}\). Both have mobilized other institutions -- builders, developers, realtors, and auxiliary players (the

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\(^{11}\) This organization was founded in 1877 in order to “advance the public welfare and the commercial interests of metropolitan Chicago by co-operative effort, social intercourse, and a free interchange of views (…) [The membership] is limited to residents of the Chicago metropolitan area who shall be deemed qualified by reason of their personality, general reputation, position in their business or profession, and service in the public welfare” (Chicago Metropolis 2020, execute summary, Jan 1999). The most prominent business and corporate leaders are part of this organization: Chicago Urban League, Chicago Community Trust, Energy Foundation, John D. and Catherine T. MacArthur Foundation, McCormick Tribune Foundation, Sara Lee Corp., Elizabeth Morse Genius Charitable Trust, LaSalle Bank, McDonald’s, Motorola, Pricewaterhouse Coopers, Sears, etc (Chicago Metropolis 2020, execute summary, Jan 1999). Among the many other organizations who are devoted to various aspects of the region's economic, environmental, and social well-being are: Business and Professional People for the Public Interest; the Center for Neighborhood Technology; Chicago United, Inc.; the Civic Federation; the Leadership Council for Metropolitan Open Communities; the Local Initiatives Support Corporation; and the Environmental Law and Policy Center. In addition, the CCC has benefited from consultation with many universities in the region: DePaul University, Northwestern University, Roosevelt University, the University of Chicago, and the University of Illinois at Chicago (Chicago Metropolis 2020, execute summary, Jan 1999).
media, utility companies, universities, Chambers of Commerce) – to deepen and embolden the governance (see table 1).

**TABLE 1: NEOLIBERAL REDEVELOPMENT GOVERNANCE IN CHICAGO**

<table>
<thead>
<tr>
<th>Population Size</th>
<th>2,695,598 (Census 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional Composition</td>
<td>Local government</td>
</tr>
<tr>
<td>CCC (Commercial Club of Chicago): Prominent planners, builders, developers, realtors</td>
<td></td>
</tr>
<tr>
<td>Auxiliary players: media, utility companies, universities, Chambers of Commerce</td>
<td></td>
</tr>
<tr>
<td>Dominant Rhetoric Used</td>
<td>Globally competitive and going global city:</td>
</tr>
<tr>
<td>“Mold Chicago into one of the great cities of the world” (Commercial Club of Chicago, 2000)</td>
<td></td>
</tr>
</tbody>
</table>

This amalgam has used a number of tools to facilitate its restructuring. First, tax increment financing, a tool first used by Mayor Jane Byrne in the downtown in 1981, has been used across the city. This tool designates TIF Districts whereupon extra tax dollars are imposed on properties with the funds plowed back to be used in these districts. Often, in residential districts, funds are funneled into these areas to drive gentrification (Koval, et al., 2006). TIFs have been strategically deployed: they have helped gentrify and upscale strategic Chicago locations, notably South Loop-Bronzeville, the Central Loop, South Campus-Pilsen, and the
East-West “Wicker Park” gentrification corridor (Wilson, 2004). By 2009, more than 150 tax increment financing districts dotted Chicago, making the city the largest user of this tool in the world. Moreover, the governance expediently invented the Plan for Transformation in 1999 to destroy public housing and to re-use this land for redevelopment. This public housing, clustering on Chicago’s South and West sides, has for decades been located in “off-the-governance” radar zones. Located in classic “ghettos” and “slums,” prominent redevelopment visions peripheralized these locations for redevelopment. However, with encroaching gentrification and large swaths of devalued land creating a “rent-gap” that would make redevelopment profitable, these areas suddenly appeared on the governance radar. As a result, this Plan was formulated to free-up this devalued land for potential restructuring which would be rooted in tearing down public housing and re-selling the land to private sector developers. But the rhetoric deployed by this governance has been equally important to be successful in its projects, programs and practices. Previous mayoral regimes (Jane Byrne, Harold Washington, David Orr, and Eugene Sawyer) lacked the coherent and unified vision and ideology that this new governance in Chicago has cultivated (in Wilson and Sternberg, 2012). These regimes strived to incorporate the frequently incompatible demands of the industrial sectors, neighborhood organizations, and blue-collar workers that ultimately conditioned an unstable, vacillating vision of development (in Wilson and Sternberg, 2012). But the national and hegemonic rise of a neoliberal ethos across America was to change this.

Daley’s rise to power enabled this governance to increasingly work through and circulate the ethos and practices of neoliberalism: the need to entrepreneurialize government actions, create more responsible and business oriented citizens, build a strong local business climate, and fashion a globally competitive, consumption-oriented city (Bennett, 2006; Hammel, 2006). To
make this a reality, gentrification has emerged as a central policy instrument for the city’s and region’s political economy. Two forces have driven this process: growing concern about Chicago’s place in the emergent global economy and the general acceptance of the ascendant neoliberal sensibilities that increasingly captured the American consciousness (Wilson, 2006). In this context, as an urban policy, gentrification fit the neoliberal scheme perfectly: it is a process that directly rejects the use of government subsidies or resources, it is a private market process, and it “culturalizes” the city via remaking of new neighborhoods, public spaces. In the process, gentrification has been increasingly offered as “something efficient, progressive, and unleashing of supposedly free and rational actors” (Wilson, 2006: 191). It has been lavishly extolled by the redevelopment governance as something to heal struggling neighborhoods, productive of a positive city culture, and increasingly generating of revenues for the city. All, it has been said, helps to build a world-class downtown and a world-class city (see Wilson 2004 and Wilson and Sternberg, 2012). As the Commercial Club proclaimed, the objective for Chicago is to: “mold Chicago into one of the great cities of the world” (website, p. 2). For this, the CCC created an organization, The Chicago Metropolis 2020 that envisioned Chicago as the competitive American city of the century (Chicago Metropolis 2020, 1999). One of the principal objectives of this organization was advancing the upscaling of Chicago’s Loop and beyond. As the following quote reflects, the Chicago Metropolis 2020 Plan is significant in the number of structural issues that it addresses, but also, it reflects the central role that certain organizations and institutions are to play in defining and managing the city’s unfolding redevelopment.
Metropolis 2020 will bring the resources and participation of the business community together with other outstanding regional civic organizations and governmental leaders that have both the expertise and commitment to help promote and implement the goals of the plan. It will convene these organizations and their leaders and seek to unite them in a common mission to enhance the region’s position as one of the world’s foremost economic centers and as a place known worldwide for the quality of life and equity of opportunity that its residents enjoy (Chicago Metropolis 2020, executive summary, January 1999).

In the chapter that follows, I examine the evolving redevelopment governance in Pilsen, focusing on its main redevelopment projects and narratives that have articulated, guided, and built common knowledge and understandings for redevelopment projects to move forward\textsuperscript{12}.

\textsuperscript{12}Although this study is not examining racialized gentrification, it could be argued that it is an interesting case to examine the recent new trends of racialized gentrification (e.g. in Bronzeville and Pilsen) unfolded compared to cases of white-led oriented gentrification (Lincoln Park, Bucktown, Wicker Park).
CHAPTER IV:

PILSEN: A NEIGHBORHOOD IN TRANSITION
Neoliberal redevelopment governance in Pilsen

Pilsen, also known to its residents as “La 18” and to planners as Chicago’s “Lower West Side,” is located just southwest of Chicago’s central business district in close proximity to many of the city’s main middle-class attractions. The community is demarcated by Western Avenue to the west, 16th Street to the north, and the South Branch of the Chicago River to the east and south (figures 1 and 2).

Originally built for recently immigrated, working class households and families from Eastern Europe, Pilsen has been home to various ethnic groups. In the 1920s, Pilsen was home to 85,700 immigrants primarily from Czechoslovakia, Poland, Lithuania, and Italy who gave the community a distinctively bohemian feel (Oclander, 1998). Immigrants were attracted to Pilsen by the access to nearby local entry-level factory and service jobs. These jobs were found in the downtown area, the South Loop rail yards, and the industrial corridor to the east bordering the south branch of the Chicago River (Oclander, 1998). Pilsen survived the Great Chicago Fire of 1871 and continued as a working class neighborhood, although much of the city’s industry had moved westward as a result of the fire (Chicago Fact Book Consortium, 1995).

Beginning in the 1950s, the demographics shifted to reflect an expanding Latino population, predominantly from Mexico. A massive wave of Latinos fled to Pilsen, displaced by urban renewal and the construction of the University of Illinois (Oclander, 1998: 10). They were attracted to Pilsen because the community was nearby, had significantly inexpensive housing, and was close to the many factories that employed them. The dominant employer, U.S. Steel's Southworks Steel Mill, employed 18,000 at its peak in the 1960s (Bensman and Lynch, 1990). By 1970, Pilsen became the first majority Latino community in Chicago (Chicago Fact Book
Consortium, 1995). Many came to work in the city's stockyards, meat-packing plants, steel mills, and fabricated-metal plants (Grammenos, 2006). The community became an important port of entry for Latino immigrants and one of Chicago’s largest Latino communities. According to the U.S. Census, Pilsen in 2010 was 88.9% Hispanic with 49.1% of the population foreign-born (U.S. Census, 2010). Together with two adjacent communities, Heart of Chicago and Little Village, it served as a center for Chicago’s “flourishing Mexican community” and, as an amalgam, became the dominant port of entry in Chicago for Spanish-speaking families (Grammenos, 2006). Yet, for newcomers, the port of entry for Spanish speakers has moved to the suburbs, predominantly Cicero and Berwyn, as immigrants pursue jobs and lower rents (Interview with reporter from the Chicago Tribune, November 30, 2009). In the housing sphere, Pilsen registers 13,948 housing units, 68 percent are rental and the remaining 32 percent are home-owned units. In 2010, median household income was $36,154 (LISC/Metroedge, 2010), which was 28 percent less than the 2009-2010 median household income for the entire city ($46,350), (U.S. Census, 2010, adjusted for inflation).

In the last 10 years, the city’s redevelopment governance has aggressively strived to facilitate a restructuring of Pilsen. Its proximity to downtown, relatively low land values, and sturdy stock of housing has made the area, in their eyes, an ideal place to expand the city gentrification project. The impetus for change came in the form of university expansion. The University of Illinois Chicago campus, adjoining Pilsen on the north, had been a cramped, congested campus without many of the amenities that university campuses seek to provide (a retail center, expansive dorm buildings, and graduate students housing facilities). The University, mobilizing the aforementioned institutions, decided upon a massive areal restructuring – the South Campus project—that would dramatically transform the fabric of the area. This became
one of the three major restructuring projects in the vicinity that would have a major effect on transforming Pilsen; its specifics are described shortly. As discussed, promoting gentrification has been at the core of Chicago’s neoliberal redevelopment governance’s priorities and agendas. Pilsen, like every neighborhood in Chicago, has come to be eyed for its possibilities to gentrify. Such developments, the governance suggests, play a role in helping Chicago polish up its culture, refine it aesthetics, and help the city go global.

In this context, gentrification has recently emerged on Pilsen’s eastern flank, along Halsted Street. However, this endeavor was not new: Previous attempts to revitalize the area occurred in 1973. The Chicago 21 Plan aimed to transform working class communities surrounding the CBD into middle class areas for downtown workers (Lutton, 1998). This plan proposed a comprehensive and extensive restructuring of Chicago’s disinvested, inner-ring neighborhoods bordering the Loop (Rast, 1999). This included the demolition of large swaths of Pilsen’s low-income housing stock (Bentacur, 2005). However, it was not until late 1995 that Pilsen faced the pressures of gentrification and residential displacement. An assemblage of institutions were at the forefront of this push (see table 1): the city directly through Alderman Danny Solis, the University of Illinois Campus Consortium; Podmajersky Development Company, Kimball Hill-Mota Construction Company, Lipe Properties Company; and The Revitalization Project (Puente, 1998). Pilsen’s close location to the loop, affordable housing, and prevalence of low value of land and rent have proved strong incentives for governance actors to start expanding the gentrification frontier (Smith, 1996).

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13 Urban planner Peter Marcuse (1999: 790-1) defines gentrification as, “the movement into a previously working-class area by upper-income households, generally professionals, managers, technicians, the new gentry, resulting in the displacement of the former lower-income residents.” This definition recognizes the class-based nature of the process as well as the centrality of displacement to the experience of gentrification. It is the displacement of population and assumed deterioration of neighborhoods that make gentrification a contested process. See a detailed discussion about gentrification in Loretta Lees (2005) and Hague and Curran (2008).
TABLE 2: NEOLIBERAL REDEVELOPMENT GOVERNANCE IN PILSEN

<table>
<thead>
<tr>
<th>Institutional composition</th>
<th>Local government: Alderman Danny Solis</th>
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<tbody>
<tr>
<td></td>
<td>Commercial Club of Chicago: Prominent planners, builders, and developers (Podmajersky, Inc.; Lipe properties; The Revitalization Project-LISC)</td>
</tr>
<tr>
<td></td>
<td>Auxiliary players: Media (Chicago Tribune, Chicago Sun Times), universities (University of Illinois at Chicago), chambers of commerce (Pilsen Together Chamber of Commerce)</td>
</tr>
</tbody>
</table>

| Dominant rhetoric used | Pilsen needs to become a vibrant neighborhood to serve the purposes of the city’s entrepreneur and competitive ethos |

After 1995, the gentrification drive accelerated in Pilsen. In a sustained and systematic process, builders, developers, and the city worked through general motivations, perceptions, and sensibilities of the Pilsen community to rationalize and normalize the virtues and benefits of their projects. In this sense, these actors have strived to meet their goals by working through people’s needs and fears about what Pilsen is and what Pilsen needs to be. This amalgam of organizations, in other words, tapped understandings and sensibilities to make the case for development.

It is worth mentioning that this gentrifying of the community has been beset by controversy and contentiousness. Pilsen is also home to many Latino organizations and has had a history of ongoing activism led by long term organizations such as The Revitalization Project (a fluid and evolving organization that is now aligned with the city, the Pilsen Together Chamber of Commerce).
Commerce, and the LISC/Chicago foundation\textsuperscript{14}, Pilsen Neighbors Community Council (also aligned with the city), and Pilsen Alliance. Years of activism have notably helped improve public schools, find jobs for residents, and train local youth (Puente, 1996). But this political activism has also been fueled by attempts to gentrify the community and fear of displacement. Residents and institutions mobilized to struggle against the Chicago 21 Plan in 1973 and Chicago 1992 World's Fair (see Encyclopedia of Chicago, 2010; Puente, 1996). Both plans aimed to transform working class communities surrounding the CBD into middle class areas for downtown workers (Lutton, 1998). These plans proposed a comprehensive and extensive restructuring of Chicago’s disinvested, inner-ring neighborhoods bordering the Loop (Rast, 1999). This included the demolition of large swaths of Pilsen’s low-income housing stock (Bentacur, 2005). This struggle to preserve the neighborhood from gentrifying continued in the late 1980s and in the period under study; 1995 to 2011.

The following section examines the most significant redevelopment initiatives (offered by an ever-evolving redevelopment governance) that since 1995 have changed the physical and social character of Pilsen. Neoliberal redevelopment governance’s crafted rhetoric, freely using metaphors, imagined spaces, and sanitary codings will be discussed in my analysis. These discursive elements have been important to this redevelopment initiative: They have helped rationalize the supposed virtues and benefits of the development projects to the general public (see table 2). Finally, each of the projects will be examined in terms of the contestations and impacts that followed from their being offered.

\textsuperscript{14} A prominent foundation that is supported by MacArthur Foundation- which is part of the CCC-, Lloyd A. Fry Foundation, and Annie E. Casey Foundation among other institutions.
**Principal redevelopment initiatives in Pilsen**

*Pilsen Industrial TIF and the Centro 18 Condominium Project*

The industrial TIF,\(^{15}\) created in 1998, constituted one of the prominent incentives for advancing redevelopment in Pilsen. At the same time, it became one of the most vividly remembered events by Pilsen grassroots organizations: “*with the TIF the change in Pilsen begins*” (Interview with representative of Pilsen Alliance, March 25, 2010).

This TIF designation was an outgrowth of a decimating city and community trend. Pilsen, a substantially working class population, relied on local factories as a source for employment (Baker, 1995). But since 1970, deindustrialization hit Pilsen hard, leaving 300 factories and warehouses in various states of disrepair and abandonment (Baker, 1995). In response, the city, prominent developers, and builders pushed to enact this tax increment financing district. The “Pilsen Industrial Corridor Redevelopment Project Area TIF District” was created in early June, 1998. At least initially, the goal was to protect existing industry and to encourage job growth from the attraction of other industries. In support of this, the city announced that the TIF would encourage “…*a wide range of land uses, including manufacturing, distribution, assembly, warehousing and research and development uses*” (City of Chicago, 1998: 19). Yet, the goal of this TIF would change over time as redevelopment of the area continued and opened up possibilities for a more affluent (and lucrative) transformation.

Under Illinois State Law, TIF districts are designated as either in “blighted” or “conservation areas” and are to encourage economic development that supposedly would not

\(^{15}\) There are now 153 TIFs in Chicago, which together cover approximately 16% of the city’s tax base (Becker, in Hague 2005). A report from Chicago Reader notes that “eight of the ten districts set to receive the most TIF-funded investment through 2011 are in prosperous neighborhoods near downtown, such as the South Loop and West Loop, while the districts that will receive the least investment are concentrated on the south and west sides” (Joravsky and Dumke, 2009). To note, the impacts of this rapid allocation of land into TIF districts, together with the diversion of property tax revenues from Chicago’s general fund into area-specific projects, have provoked much local media commentary (see Joravsky 2004).
happen without the TIF designation (Pilsen Industrial Corridor TIF District, 2008). The TIF initially proposed the widening of streets and repair of sidewalks in a 907-acre zone between Cermak Road and the Chicago River where some 300 floundering factories and warehouses existed (Figure 2). The TIF district was also intended to upgrade aged commercial strips along 18th Street and Ashland and Blue Island Avenues (Chicago Tribune, February 11, 1998).

Figure 1: Pilsen (Lower West Side)

Figure 2: Pilsen neighborhood

![Map of the Pilsen neighborhood](source: m.wikitravel.org (retrieved June 2010))

A minimum of $35 million in public dollars were initially announced to be invested by the city to rebuild the area’s infrastructure, with that sum to be recovered from the future tax revenues resulting from the expected development (Chicago Tribune, June 12, 1998).

Additionally, it was estimated that the revenues generated by private investment were to round up to $114 million and that 4,100 new jobs were to be created from this investment (City of Chicago, 1998).

Yet, the announcement of the TIFs fueled animosity among many Pilsen residents. Formal protest was almost immediate, as illustrated in the following newspaper account: “On the second Tuesday in March [1998], with the City Hall elevators chiming in the background, Carlos Arango … stood in front of a hundred Pilsen residents waving yellow-and-black sheets of paper that displayed the acronym ‘TIF’ crossed out. This was the seventh time in as many months that Pilsen residents had gone downtown to protest the Pilsen TIF” (in Lutton, 1998).

Energizing opposition to the TIFs was a spate of criticisms (figures 3 and 4). Their concerns focused on the type and quality of jobs that would be created from this endeavor, the lack of influence by community members and owners of industries over how the TIF dollars were to be
spent, and possible expansion of the TIF border to include other commercial districts (see Lutton, 1998). Major concerns were also expressed about the potential land use conversion from industrial to residential if the alderman supported a zoning change that would attract residential loft developers (Hague and Curran, 2008). The fear, then, was about the gentrification of the community. As the criticisms and questions over the TIF proposal escalated, the alderman anticipated an ongoing contestation in Pilsen: “... every development project in Pilsen has been questioned” (in Lutton, 1998).

Figure 3: Murals expressing discontent and fear of displacement in Pilsen (1)

Source: Photograph taken by the author (February 2010)
In this context, the redevelopment governance (builders, developers, and the city) aggressively responded. They contested these criticisms by offering, in community meetings, city pronouncements, and planning meetings an uncompromising discourse of the need for this community to be transformed. Here this TIF and a broader redevelopment of Pilsen was served up as an “inevitable project” that was a recipe to saving the community from acute decay and eclipse. In a deft discourse, these renditions were complemented with visual rhetoric (imaginary spaces in discourse) that actively solidified the virtues and benefits of the TIF.

The TIF incentive was presented by the media and the City Council as an entrepreneurial and positive idea to create new patterns of consumption and production. In a Chicago Tribune editorial, for example, a member of the City Council noted: “the idea is to boost economic renewal (...) where it otherwise wouldn’t take place. (...) with the addition of Pilsen and two
other zones approved by the Council on Wednesday, the city now has 54 of the special districts” (Chicago Tribune, June 11, 1998). Pronouncements about the salvation of Pilsen from becoming a dilapidated neighborhood also grounded discussions about the positive effects of the TIF in boosting the neighborhood’s economy: “Isn’t a viable industrial corridor with 15 firms and 7,800 jobs [previously announced 4,100] one road to salvation? What about our lively 18th Street and Cermak Road commercial districts and cultural and social institutions?” (Chicago Tribune, February 13, 1998). The following quote illustrates similar themes: “Pilsen residents trying to make a living and improve their lot—that is, the vast majority of [the] population—should feel relieved that … and the city can finally move with a redevelopment that could bring as many as 4,100 jobs to the area” (Chicago Tribune, June 12, 1998). Ultimately, these renditions fit the neoliberal project perfectly, times had supposedly changed and Pilsen needed to achieve prosperity and long term, self-sufficient growth much like previously ‘dilapidated’ but gentrified neighborhoods Wicker Park, Bucktown, and Lincoln Park (see Crain’s Chicago Business, 2005).

Additionally, pronouncements of inevitable and benevolent change were offered in the form of narratives that contained two mental/imaginary spaces (see table 2): a current “decrepit Pilsen” and its direct antithesis, a “prosperous and orderly ethnoscape”. These imaginary spaces in discourse attacked two things: Pilsen’s physical setting and its large Mexican-American population. They together offered a logical site for redevelopment that needed a new aesthetic and more civic-industrious-minded people. Following Liam Kennedy (2000), before communities can be restructured, they must be devalued, prepared for development, and reimagined as a place of value. Such devaluing can take many forms, according to Kennedy, but typically entails a reality being made of easily discardable people and social life.
The first space, a “ravaged/depressed space,” rendered Pilsen a derelict and chaotic territory. Physical degeneration was purportedly ubiquitous and entrenched in this terrain.

Narratives referred to the selected TIF area as “the oldest 907-acre industrial zone with decrepit infrastructure that needed to be rebuilt” (Chicago Tribune, June 12, 1998). The local media, in articles, also depicted Pilsen as an “outlying neighborhood … one of the oldest neighborhoods in Chicago, (...) [that] (...) with its narrow streets and crumbling vaulted sidewalks, [which] desperately needs special attention” (Chicago Tribune, February 11, 1998).

This rendition of a “ravaged/depressed space” also contained local stereotypes of Mexican communities: poverty-ridden families, people clustered in rundown buildings, and crime-drug-ridden streets (see Delgado, 1999). Comments by a local developer put it best:

“Pilsen has become, quite simply, a crime-ridden slum ... a Mexican ghetto. It is now less a place for decent people and decent families. The streets have become dangerous, the kids outside [on the streets] are destructive ... it is a neighborhood that needs to be changed. Hell, I wouldn’t let my kids or any decent person I know walk these streets” (in Wilson et al., 2004). In this presentation of Pilsen, there were few positive signs of a stable and orderly community (positive street life, progressive families, quiet kids, decent schools). In this way, this visual rhetoric served up for Chicago residents a common stereotype: the sense of a broken-down, crowded, crime-infested Mexican barrio. Mexican-Americans, with a long history of being distinctively stereotyped in Chicago (see Delgado, 1999) were reduced to these afflicting, coded images.

These pathologies purportedly stretched across the entirety of a space as the Chicago Tribune narrates: “Ald. Danny Solis (25th) has crusaded against gangs and drunk and disorderly conduct in his ward since he was appointed 18 months ago” (Chicago Tribune, September 25, 1997). Additionally, when the public debate about the TIF started, a Chicago Tribune editorial
expressed the great failure of the Mexican residents for not allowing progress to come to Pilsen (Chicago Tribune, June 12, 1998). Pilsen residents were cast as underachievers who were unwilling to take advantage of the good economic times that fostered Pilsen’s standing as “an island of poverty amid booming communities” (Chicago Tribune, June 12, 1998).

Moreover, renditions of an ideal space – a Mexican-Latino ethnoscape – were continuous and stood in symbolically for what Pilsen could be. Here was the imagined space of the ideal, the marker for what Pilsen should become and needed to become. As an offered imaginary that was designed to discipline the public imagining about what was “the proper community,” this idealized Latinoscape was made the yardstick against which the community was to be understood. Thus, a local planner stated in bold pronouncement that Pilsen “lacked the Mexican barrio’s sense of social stability and ethnic cohesion ... it’s a simple fact ... the TIF district could change this ...” (in Wilson et al., 2004). Here, as plain as day, Pilsen was lacking and dysfunctional and the reason the TIF designation was necessary. Similarly the Chicago Tribune notes, in discussing the need for the TIF: “When Pilsen finally prospers, some displacement undoubtedly will occur. But along with it will come increased property values and equity that will greatly benefit the area’s homeowners” (Chicago Tribune, June 12, 1998).

Yet, the physical transformation of the TIF-designated area was not complete until 2004 when a 387-unit condo was chosen to locate there (Chicago Journal, 2010). As mentioned, the Pilsen TIF was intended to preserve the industrial job base of factories and warehouses in a large manufacturing area near the Stevenson Expressway and Western Avenue (Joravsky, 2006). Despite these stated intentions, in 2004, the City Council, with support from alderman Danny Solis, amended the industrial TIF to allow for a special district zoning at 18th Street and Peoria (Hague and Curran, 2006). A consortium of developers – Mota Construction Company, Kimball
Hill Suburban Centers, and City View administrator (former HUD head) Henry Cisneros – pushed to advance plans to build 387 condominiums, one parking space for each unit, and commercial uses in 13 buildings, ranging from townhouses to ten-story towers. While 21 percent of the units were supposed to be “affordable” (starting at $150,000), market rate units (condominiums, townhouses, and loft home) were planned to be priced from $250,000 to $700,000 (Stangenes, 2006).

Besides Solis backing the project, supporters said it would help keep young professionals in the neighborhood as well as provide affordable housing (Stangenes, 2006). Yet, in the process of getting the necessary approval, the governance faced residents’ opposition. This initiative energized opposition amongst Pilsen residents, who complained that Solis was using the TIF as a tool to spur gentrification and squeeze out working-class residents (Joravsky, 2006; Stangenes, 2006). Solis countered that there just weren't that many factories and warehouses looking to come to Pilsen (Interview with Professor of Geography in Chicago, March 5, 2010). Additionally, critics stated that the high cost of the units at the site would exercise speculative pressure on both industrial and residential rents in the surrounding area, leading to displacement of lower-income residents (Stangenes, 2006). In November 2005, a rally protesting against the proposed development was held at the intersection of 18th and Peoria.

This was exactly the development the community feared in 1998 when the TIF was declared, and it was the central reason for the formation of the Pilsen Alliance. Created in 1998, Pilsen Alliance became an independent, very active community organization in Pilsen that advocates for the Latino community in terms of housing, education, and other social matters.16

16 As the website states, the goal of Pilsen Alliance is to “improve the quality of life and to preserve the rich Mexican culture of the greater Pilsen community through the process of seeking and developing local leadership at the grassroots level to work on advocacy/organizing campaigns that emphasize and promote self determination, accountability and inclusiveness.” (Pilsen Alliance website, retrieved March 2010, www.thepilsenalliance.org/).
Ultimately, in order to secure this development, Mota Construction and Kimball Hill contributed $31,150 and $4,000, respectively, to Solis's organization in 2004 (in Joravsky, 2006). Moreover, City View (Henry’s Cisneros construction company) sent a check for $2,500 on August 16, 2005, just a few months before he announced the condominium plans (Figure5).

All in all, despite all these “efforts” to secure the necessary land conversion in a supposedly non-attrACTIVE area to build industries, four years later Kimball Hill announced opting for chapter 11 bankruptcy. The company is still trying to find either a buyer for the land or possibly even a new partner for the project. “With a particular development of this size, the numbers didn’t work. We were just waiting for market conditions to improve”, Doug Guthrie, president of Kimball Hill’s urban centers division, was quoted in the Chicago Journal. He added, “We weren’t out very long until the market turned bad” (Chicago Journal, 2010).

Figure 5: Vacant land prepared for Centro 18 construction

Source: www.yochicago.com (retrieved February 2008)
Expanding East Pilsen with an artist community colony and a parking lot

Shortly after the construction in the 1960s of the Dan Ryan Expressway, mega-city developer John Podmajersky became interested in purchasing property in Pilsen to preserve it from demolition with the hope of future redevelopment (Isaacs, 2003). “My father was very concerned about the deterioration of Pilsen and wanted to do something to rejuvenate the neighborhood”, expressed his son, John Podmajersky III (Weber, 1992). To this end, and envisioning possible profitability, Podmajersky’s family became one of the most powerful real-estate landlords and coordinators of Pilsen artistic-cultural events.

This family persisted as a major developer in Pilsen over the decades and has been one central actor responsible for the social and economic changes that have occurred in East Pilsen since that time (Interview with Spanish Housing for Improvement representative October, 2009; and with Professor of Geography in Chicago, November 10, 2009). Along Halsted Street, between 17th and South Canalport Avenue, the Podmajersky’s own dozens of properties on Halsted (although never publicly declared, this family supposedly owns about one hundred properties, in Hague and Curran, 2006). They purchased properties over the years with an eye on a massive areal redevelopment.

John Podmajersky and his father grew up in Pilsen. When he began buying buildings (in the 1960s), the community was purportedly “in total disarray” (in Lutton, 1998). To him, the neighborhood had been gutted by the construction of the Dan Ryan, many businesses had left, and “Halsted Street was mostly taverns” (in Lutton, 1998). Thus, eager to stabilize and upgrade the neighborhood, and seduced by possibilities for lucrative redevelopment, Podmajersky assumed the task of creating an artist colony enclave here as the following quote notes:
“The betterment of the neighborhood didn’t just happen—someone had to be orchestrating it. It wasn’t the government, it wasn’t the church, the community groups. They had very little grasp of what the hell was the problem of how to create communities that work, you know, taking a very sick, dysfunctional neighborhood and turning it around. It was like literally transplanting a different type of user basically” (in Lutton, 1998).

Podmajersky’s blunt pronouncement offers a struggling and impoverished Pilsen and desires to upgrade it. At the core of this, his discourse uses an array of terms and/or metaphors that obliterate any sense of contradictory and complexity about Pilsen’s physical setting and identities. Previous renditions of Pilsen as an ‘old’, ‘depressed’, and ‘deteriorated’ neighborhood are in line with his rendition of a “sick and dysfunctional” community that implies a sense of chaotic and pathological terrain (see table 2). Additionally, it suggests an urgency to re-make Pilsen into something it purportedly is not: a livable and vibrant community (using Podmajersky’s words, to “create communities that work”, in Lutton, 1998). This narrative also communicates the sense of rebuilding Pilsen’s social character. Moreover, his references to “transplanting a different type of user” (see Lutton, 1998) suggest that the current Pilseneros (Pilsen residents) are not the ones entitled to live in the neighborhood. In the following quote, Podmajersky openly states who he envisions to be ideal residents: “I started renting it to artists, and when I discovered what they’re about, I said, these are the people I’m gonna bring around” (in Lutton, 1998).

Other pronouncements embody Podmajersky’s offering of urgency to redevelop Pilsen. His pronouncements, again, vilify two things, Pilsen’s physical settings and population. Thus, he compares the east side of Pilsen to the blight of a war-torn nation during a news conference:

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17 This rendition of Pilsen profoundly resonates with the metaphor of the city as an organism that lives, dies, and eventually becomes sick, widely used by the Chicago School of Urban Sociology during the early 1920s and later widely criticized. However, these metaphors are still present in people’s narratives and descriptions about cities and more in particular, in developers’ visions.
"Halsted Street looks like the Ho Chi Minh Trail during the height of the Vietnam War, filled with potholes, deteriorating curbs, broken street lighting, collapsing sidewalks and a decade of unfulfilled promises for improvements, new parks and better services," (Chicago Tribune, Jun 11, 1998). He also spoke boldly to the media about “the problem of gangs and drugs...that have made this community [Pilsen] a problem place” (in Wilson, 2006). Again, these renditions run roughshod over any sense of a complex and contradictory reality. To Podmajersky, Pilsen does not contain any serious amount of social, cultural, or demographic heterogeneity. Rather, it is an easily understood, monolithic place whose physical and social content cries out for a needed transformation.

Yet, over the years, Podmajersky and family have faced contestation from Pilsen’s residents and activists. A sense of frustration and irritation emanates through Podmajersky’s renditions about Pilsen’s activism: the resident’s mission “is to thwart upgrading at every turn,” “keep the neighborhood the same ... as a Mexican barrio ... keep it from modernizing”... [Pilsen today is known] as “the explosive neighborhood where angry Latinos meet attempts to upgrade” (in Wilson et al. 2004).

Virulent opposition to the emergent upscaling appeared in 1998. With the support of Pilsen’s alderman, Podmajersky planned to convert 70 percent of a vacant city-owned lot on 19th Place and Sangamon into a parking lot to accommodate an enhanced demand for parking from nascent gentrifiers: “I need to purchase this property to provide secured, landscaped, and paved off street parking spaces for my upcoming development of three large loft buildings” (in Lutton, 1998). The rest of the land was planned to be transformed into a 15,000-square-foot Neighbor Space garden (Chicago Tribune, June 18, 1999). The parking lot project ended up escalating a major debate among Pilsen’s residents. Activist and neighborhood gardener Al DiFranco
pronounced the following: “*The neighborhood has been consulted on this, and we wanted to save the garden in the more aesthetically pleasing gateway location. Solis wants to move it over here so he can give the better location to his campaign contributor [Podmajersky]. And we don’t like that*” (Chicago Tribune, June 18, 1999). In addition, Ramona Reyes, who has lived on 19th Place for 20 years, was not pleased with this initiative: “*It’s not just*” she said in Spanish, “*The parking lot would not even be for us, the people who live here*” (Chicago Tribune, June 18, 1999).

Figure 6: Pilsen residents protest proposed Podmajersky parking lot

Source: [www.chicago.indymedia.org](http://www.chicago.indymedia.org) (retrieved June 2007)

But after heated debate (see Washburn, 1998), an important aspect dominated the decision to transform the vacant city-owned place into a parking lot: strong support by Pilsen’s alderman
closely tied to Podmajersky’s financial contributions (thousands of dollars were donated to the Solis campaign, in Lutton, 1998). Firmly endorsing the building of the parking space, Solis noted: “One of the biggest needs is community gardens. But we also have a need for parking spaces” (Chicago Tribune, June 18, 1999). In response to this, John Podmajersky III noted: “I think Danny [Solis] is taking a lot of initiatives. He opens things up to the community, he takes input from people. I mean, he’s the best alderman that I’ve ever seen around here” (in Lutton, 1998).

Currently, Podmajersky continues to develop the eastern area of Pilsen, pushing to clear more land for artists and wealthier incomers. Under the rhetoric of “building Soho in Chicago”, (see Figure7), Podmajersky III heads the Pilsen East Planning Association, a group comprised of about 100 businesses and property owners along South Halsted and between 16th and Canalport Avenue (Podmajersky Inc., 2003). According to its website, the result has been a successful housing operation. Many fine Chicago businesses “and more than 1,500 creative entrepreneurs” (Podmajersky Inc., 2003) have prospered in a period of five decades. To the Pilsen East Planning Association, this rise of more affluent residents and more upscale shops must continue for Pilsen to flourish.
Another project was at the center of changing Pilsen. It also provoked controversy in the neighborhood. Between 2000 and 2007, $600 million in public funds were invested to expand the University of Illinois at Chicago (UIC). The idea, the brain-child of the University’s Board of Trustees, was to build an integrated academic, residential, recreational, and commercial development to enhance the UIC community. Known as the “South Campus Project” (UIC South Campus Development Project, 2003), this redevelopment extended south to the area known as the Maxwell Street Market.
Briefly, Maxwell Street, immediately north of Pilsen, was the historic home for immigrants arriving from Europe, Latin America, and southern U.S. states. In need of jobs, entrepreneurs came to Maxwell St., which was said to be the largest open air market in the country (see “Cheat You Fair: The Story of Maxwell Street” website). From clothes to cars and appliances, Maxwell Street offered discount items to consumers and was an economic hub for the poor looking to get ahead: “Maxwell Street was the precursor to America’s discount malls and pioneered the concept of combining retail selling with entertainment” (Openair-Market, 2010). It also became known as a milieu of culture and ethnicity. Maxwell Street was particularly associated with Blues, gospel music, and Jazz “as many of the Jazz bands would buy their clothing down on Maxwell Street” (Openair-Market, 2010).

Over the years, the Market’s land became increasingly valuable as it was located next to UIC and was close to downtown Chicago. Initially, the UIC campus was situated on the Navy Pier. But in 1965 Chicago Mayor Richard J. Daley, father of Richard M. Daley, decided to move the building and turned it into a full-fledged public university in its current location along South Halsted Street. In doing so, Daley’s administration displaced about 5,000 residents to make room for the university’s 103-acre campus (Bentacur, 2005). Three decades later, UIC decided to aggressively expand its campus and build upscale housing and glittering retail nodes near Pilsen (Marx, 1997). In the 1980s, after years of resistance by concerned citizens and historical preservationists, the City of Chicago finally sold the Harrison/Halsted area to the UIC\(^\text{18}\). Finally,

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\(^\text{18}\) Its campus was initially located at the Harrison/Halsted area in 1965. The university slowly began buying land in the Maxwell area and demolishing the buildings. It had been rumored that the University never officially announced their plans in the ‘80s, but circulated speculation that they were going to exercise eminent domain, which was in fact backed by state legislation. This strategy may have saved the school millions of dollars, not only because people slowly moved out and did not have to be compensated, but also because real estate prices continued to drop in the area through the ‘80s and early ‘90s, because of the rumors. When the school finally made public its’ plans to move the Maxwell Street Market and demolish the buildings, the community tried to petition to list the Maxwell Street
in August 1994, the Maxwell Street Market was demolished to accommodate the UIC expansion and a much smaller version was relocated a few blocks east to Canal Street and renamed the “New Maxwell Street Market” in September 1994 (see Jordan, 2000). In August 2000, the UIC campus expansion finally began, led by a consortium of developers, builders, UIC administration (Board of Trustees), and the local government (Alderman Solis, Mayor Daley, and the Department of Planning and Development). This project built 913 housing units and mixed-use commercial redevelopment (new condominiums, town houses, and university dormitories) for campus residents, students, and scholars across 68 acres (Bentacur, 2005). Today, the area is a sparkling testimonial to land revalorization and dramatic upscaling.

Interestingly, the project did not directly target Pilsen itself, but raised concerns among residents and institutions of a desire to transform the general area that would soon include Pilsen. Their concerns were valid: UIC’s proposed campus expansion adjoined Pilsen and the land valorization could easily diffuse across Pilsen. This campus expansion thus reawakened community concerns that within three years became a reality. By the early 2000s, gentrification and expected increases in rents and property taxes were forcing local businesses and working-class Hispanics out of the predominantly Mexican-immigrant neighborhood adjacent to UIC (Garza, 1997; Marx, 1997): Commenting in the early 2000s, Honoratus Lopez of Pilsen Realty (in Feely, 2005) noted: "Rents already are rising on the east side of Pilsen. A two-bedroom apartment near 18th Street and Ashland Avenue costs $300 a month, he said, while east of Halsted Street it can go from $700 to $800."

Market area on the National Register of Historic Places as a historic district, in 1994 and again in 2000. Yet, the proposal was eventually turned down due to the efforts of the university, backed by Mayor Richard M. Daley.
Thereafter, sympathy for Pilsen residents, activist organizations, street vendors, and preservationists gained a foothold in Pilsen. Thus, during community meetings, these actors publicized their concerns about this threat to Pilsen with much community support (Melcer, 1997). Concerns centered around displacing residents and changes in the ethnic character of the neighborhood: To Maxwell street vendor Anselmo Valentin (in Garza, 1997) at a community development meeting, “the University of Illinois wants to get rid of minorities, and we are not going to permit it. We are going to organize and we are going to fight.” Similarly, to resident and restaurant co-owner Carmen Velazquez, “We do not want Pilsen to be Lincoln Park. We want to keep the history. We want to keep the culture. This could be the last hurrah for this community if we do not stop it now” (in Melcer, 1997).

Figure 8: University Village (townhouses and condos)

Source: Photograph taken by the author (February 2010)
But while these pronouncements inundated the area, neoliberal redevelopment governance contested these assertions by speaking aggressively of redevelopment here as inevitable, inexorable, and saving Pilsen from imminent decay. As the Chicago Tribune Editorial noted: “community groups in Pilsen should be prepared... and get ready to benefit from the new development. That could involve construction contracts, retail opportunities in the new development to be built along Halsted Street or jobs at the University.” (Chicago Tribune, March 16, 1997).

These pronouncements were rooted in a rhetoric that served up at its center a current “ravaged/decrepit” Pilsen that cried out to be redeveloped into a potential “prosperous and orderly ethnoscape”. This “decrepit space” was eloquently invoked by UIC Chancellor David Broski (Chicago Tribune, December 13, 1997) who expressed the need to “transform the
[University] campus from an arid, Stonehenge -by-the-Eisenhower for commuters, into a more hospitable residential academic enclave.” Similarly, interviews with city planners noted this thematic: “Maxwell Street and its surroundings were from a bygone era ... decay and deterioration infested the area. The South Campus Project offered the hope of a rebirth ... a re-awakening” (in Wilson et al., 2004).

Moreover, renditions of an imaginary ‘prosperous and orderly ethnoscapes’ in Pilsen grounded the redevelopment discussions and constituted a rationale to normalize the transformation of the neighborhood. This imagined Pilsen was a specific construct set up as the direct antithesis of the ‘current depressed area’. It communicated an array of things that the current Pilsen supposedly lacked: orderly community and streets, sense of prosperity, and cohesiveness. These themes were well illustrated by the UIC consortium (UIC administration officials, local government, and prominent developers19) in charge of the UIC expansion:

“Over the past 15 years, the University of Illinois at Chicago has blossomed into a first-rate urban academic institution and its expansion plans are welcome signs of this continued growth. (...) community groups in Pilsen should be prepared (...) and get ready to benefit from the new development. That could involve construction contracts, retail opportunities in the new development to be built along Halsted Street or jobs at the University (Chicago Tribune, March 16, 1997).

(...)The Latinos of Pilsen, one of the more economically depressed areas in the city, should be rejoicing at the prospect of such a windfall right next door” (Chicago Tribune, December 13, 1997).

Additionally, Pilsen’s redevelopment supposedly sought to restore social cohesiveness in families and the neighborhood. A UIC administrator put it remarkably well: “The redevelopment of Pilsen ... will restore coherence and harmony to this neighborhood that has long since

19 For example, Mesirow Stein Real Estate Inc. was proposed as a master developer.
disappeared” (Interview with UIC administrator, in Wilson et al., 2004). This idea of a cohesive and prosperous Pilsen, as opposed to what currently exists, was communicated as the ideal state of the neighborhood (Chicago Tribune, February 13, 1998).

All in all, these discourses strived to successfully “sell” a distinctive way to know a “normal” and “civic” Pilsen. As such, negotiations and sporadic contestations failed to seriously blunt the gentrification initiative. As Maxwell Street Market was demolished (this name was quickly replaced with a new urban icon: “University-Village area”, figures 8 and 9), and the UIC mix development was moving forward, the impacts of the UIC developments became pronounced by 1999: “more than 5,000 people were displaced, 200 businesses were forced out of the community, and some 800 homes razed” (in Bentacur, 2005:33).

The impacts of the South Campus project on the housing and rental prices in the neighborhood were significant. Pilsen’s property values and rents, historically lower than the Chicago median, climbed rapidly. To a study conducted by the Voorhees Center in 2000, the eastern census tract 3103 adjacent to University Village had the highest median owner-occupied property value in the area at $270,000, indicating a 547 % increase between 1990 and 2000. In terms of rents, the median gross rent in Pilsen has also been historically lower than that of Chicago. Between 1990 and 2000 the median gross rent rose 47.7% for the entire Lower West Side as compared to the city of Chicago’s increase of 38.43%. The 2003 Pilsen Rent Study Reports that average rent levels in Pilsen increased 9.5 ($200) per year between1990-2000. This study also shows that the eastern census tracts are undergoing a progressive change with a decreasing Latino and foreign-born presence and decreasing household densities (Glesne et. al, 2003).
Chantico Lofts redevelopment

As redevelopment in and around Pilsen gained momentum, the sense of an inevitable transformation of the area became increasingly articulated. In this context, Lipe Properties Company aggressively interfaced with the Pilsen community by building the Chantico Lofts residential project. This well known local developer proceeded by successfully applying for a zoning variance in 2005. The development, at 16th and Carpenter (Figure 10, 1 and 2), recycled a four-story, 44,000-square-foot brick warehouse (Lipe Properties website, 2009). For most of the 20th century, this site was a factory (Hague and Curran, 2008). In 2005, the building was sold to developer Lipe Property Company who announced its intention to convert it to condominiums. The resulting 42 units, completed in 2007, were sold for $150,000 to $375,000 each.

Zoning became a tool to further drive the gentrification of Pilsen at this point. To explain the zoning change process in more detail, zoning regulates both the nature of land uses and building densities. In Chicago, there are zoning categories for residential (RS, RT, RM), commercial (C), business (B), and manufacturing (M), as well as special zoning designations for planned manufacturing districts (PMD), planned developments (PD), and parks and open space areas (POS). Subcategories (e.g., RT-4, B3-2) refer to specific features of the allowed buildings and land uses. Each zoning category has a floor-to-area ratio (FAR) that determines how large a building on a given site can be (Hague and Curran, 2008).

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20 Since 1994, “Centrum completed a wide variety of commercial and residential projects in Chicago during Tipe's tenure including: the redevelopment of the former Montgomery Ward's headquarters campus in River North into a new neighborhood, construction of the North Avenue Collection at Sheffield Street and North Avenue in Lincoln Park, and the construction of Churchill Row Lofts & Rowhomes in Bucktown” (Lipe properties website, retrieved May 10, 2010).
To Hague and Curran (2008), Pilsen’s zoning has made it a target for developers interested in inducing gentrification. Much of the neighborhood is zoned RT-4, which allows for multi-unit buildings and a height of 38 feet. As such, many of the existing buildings were at relatively low heights and densities compared to the RT-4 zoning designation. Developers quickly lobbied aggressively to get Pilsen’s zoning changed to incorporate this more density-permitting zoning. Before the City, a multiplicity of developers stepped forth to push the city to re-zone Pilsen. They argued that the area could easily accommodate this new zoning, residents were desirous of it, and a flurry of new private-sector reinvestment in the area would follow (see Hague and Curran, 2008) 21.

21 Additionally, a mismatch between existing zoning designation and actual land use is also an issue for industrial users. There are multiple sites that are being used for industrial purposes but are zoned for residential use. This zoning mismatch makes business owners vulnerable, especially if they rent their space. Because residential usage has a far higher rate of return than manufacturing, industrial space that can legally be converted to residential use is highly profitable to developers. One such site is Chantico Loft. Here, a first zoning change (from industrial to residential use) was granted by the City Council without the community input or city oversight (Hague and Curran, 2008). The second zoning request change, for higher density (from RT-4 to RM-5) had to pass through the Pilsen Zoning Board created in November 2004. In this setting, Pilsen residents and organizations pushed to have an active voice and vote in the redevelopment projects approval (see Hague and Curran, 2008; Chicago Tribune April 22, 2005).
Figure 10: Chantico Loft: 1. Before construction

Source: [www.yochicago.com](http://www.yochicago.com) (retrieved March 2012)

2. After construction

Source: Photograph taken by the author (May 2010)
Many Pilsen residents were angered by this developer maneuver. But their ability to influence this zoning decision ultimately proved futile. As a mere advisory voice before the City, their concerns were expressed in vivid detail. More than 25 Pilsen residents spoke before the city of the neighborhood harmful effects of this act, but it proved to no avail\textsuperscript{22} (see Hague and Curran, 2008). In 2005, Pilsen’s zoning was changed to allow for more dense and vertical development.

But protest was effective in another realm. Tensions between developers and grassroots organizations in Pilsen escalated when Lipe Property Company decided to change the name of the condominium project. In line with the process of Pilsen’s ethnic commodification, the former condo complex name, “Lerner Box”, was changed to “Chantico Lofts”, in reference to the popular Aztec goddess of heart and home (Avila, 2005). Although this could be understood as a strategy to respect the ethnic character of Pilsen, it generated controversy. The new name fueled direct opposition of some activists, for example from the Executive Director of the Pilsen Alliance "(…). How dare they use the community's icons to displace us?" (…) You’re going to use the virgin [Chantico] to sell us some expensive condos?" (Chicago Tribune, April 22, 2005), (Figure 11).

\textsuperscript{22}A downzoning referendum was placed on the March 2006 ballot. The referendum read, “Shall the Alderman of the 25th Ward and the City Council downzone Pilsen from RT-4 to RS-3, to slow down gentrification?” The attempt was to maintain the scale of the buildings and reduce the current trends of condominium construction in this historic neighborhood. Although the referendum passed with 75\% of the vote, in May 2006, an official speaking on behalf of Alderman Solis (25th) at a community meeting called by the Pilsen Alliance stated that the alderman would not enact a downzoning of Pilsen (for more information see Hague and Curran, 2008).
Protest also came from Pilsen Alliance. They declared that this name change was an affront to the integrity and character of Pilsen, what one resident noted to me as “slur of a name on us.. this was capital coming in and trying to tell us and the outside world what we were ..” (Interview, March 25, 2010).

This controversy had an immediate incendiary period that lasted about three months (see Chicago Tribune, April 22, 2005). While representatives of the real-estate community argued, “Housing and commercial development is not a threat to Pilsen. It is a lever to improve the lives of its residents and stabilize the community” (Chicago Tribune, April 25, 2005), representatives of Pilsen organizations pronounced, “We need to send a message to developers that it's not going
to be a walk in the park to develop Pilsen” (Chicago Tribune, April 25, 2005). Yet, more significantly to this study than the contestation itself is how developers and builders, supported by the city, actively cultivated and worked through people’s values, perceptions, and sensibilities, in this case through the use of ethnic symbols, to normalize the aesthetic and symbolic transformation of the neighborhood. The symbolic (arguably material) name change constituted a kind of disciplining and extolling of Pilsen’s ethnic character. That is, ethnic distinction became a heavily commodified tool to make certain community sections more appealing to outsiders, developers, and businesses. Without conspicuous display and commodification, the “Mexicaness” in Pilsen was worth little. In this sense, by commodifying and showcasing Pilsen through the use of ethnic symbols such as the Aztec goddess Chantico, neoliberal redevelopment governance redefined Pilsen’s character as an ‘ethnic oriented neighborhood’23. As such, Pilsen could conceivably contribute to the economic health and vibrancy of the city.

And as land use conversions and condominium construction accelerated24, sections of the media continued to present redevelopment in Pilsen as an inevitable process. When referring to the potential construction of Chantico Loft, a Chicago Tribune editorial expressed the following: “From the rooftops of Pilsen, the Loop seems close enough to touch. Redevelopment of Pilsen's housing and commercial stock is not going to be stopped unless the city puts a fence around it and declares it an official poverty zone” (Chicago Tribune, April 25, 2005).

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23 As opposed to a rooted-working class neighborhood advocated by the Pilsen community (Interview with representative of Pilsen Alliance, March 25, 2010).

24 “In 2004, a zoning change for a condominium project in 1915 S. Racine Street was requested. Two years later, a new condominium had been built at the location. In 2005, Cook County assessed the westernmost lot (on the right) at $7,318. The building that was once located there has since been demolished and been replaced by four condominiums with a combined Cook County assessed value of $170,796 in 2006. In 2006 one condominium remained unsold. It has 3 bedrooms and 2.5 bathrooms and is marketed by one of Chicago’s leading real estate agencies as offering “jawdropping drama” for $449,900” (Hague and Curran, 2008:26).
Finally, the material effects of these conversions were remarkable. Within two years of the governance’s bold foray into Pilsen, physical alteration was discernable. Suddenly, spruced-up, condos and homes dotted the Halsted Street corridor and became a kind of symbolic gateway through which one could identify a changing, more capital-attracting neighborhood. Thus, between 2004 and 2006 and with 5,002 lots being inventoried, 43% of properties in Pilsen experienced a 25-49 percent increase in their assessed values, with an additional 23 percent experiencing a 50-74 percent increase in assessed values (Hague and Curran, 2008; Martinez, 2009). In addition, 24 properties experienced an increase of over 125 percent in assessed value. In all, the neighborhood averaged increased from $30,000 to over $200,000. (It is estimated that a $1,000 increase in assessed value leads to a $165 increase in property taxes.) In this context of accelerating investment, the city stepped in and designated Pilsen a historic district. The key theme became the need to cultivate an ethnic oriented neighborhood for tourism and popular consumption whose specifics I now discuss.

Touristic and historical preservation initiatives

Historically, Pilsen has been one of the principal neighborhoods in Chicago that has hosted popular festivals (e.g. Fiesta del Sol, Cinco de Mayo) and offered a variety of cultural events, such as weekly ferias and museums events. Creating murals and graffiti, moreover, has been an important source of residents’ expression and social activity. This endeavor has traditionally been a source of intense community pride and the assertion of desires for self-determination (Bentacur, 2005), (see figures 12 and 13). Other murals, as previously shown, depict the fears of gentrification, displacement, and eviction (Figure 14). The artists have often been local residents and, occasionally, outside artists typically working on a pro bono basis to
help the community give voice to resident sentiments. However, during the early 2000s, with redevelopment advancing steadily, these expressions have been resignified and commodified by the city government as a means of attracting touristic businesses and investment in the neighborhood. In 2003, Alderman Solis, notorious for supporting this commodification of Pilsen while trying to balance this with community concerns, publicly expressed that Pilsen is “to become the best Mexican-American community in the Midwest, where you can come taste the food and experience the culture” (Chicago Sun Times, March 17, 2003).

To this end, Solis initiated a series of policies to attract tourism and aestheticize the neighborhood with the focus on extolling the ‘authentic Mexican character’ of Pilsen. Tourism in Pilsen became a major development initiative and industry and since early 2000, the alderman has been one of the main advocates (see PPC-Quality-of-Life-Plan, 2006). For example, the city has conducted a series of initiatives such as creating a detailed walking tour map of Pilsen’s famous murals throughout the area, providing free trolley rides through the area, initiating tourist buses that highlight recent changes in Pilsen, and sponsoring and financial underwriting of the Mexican Fine Arts Center Museum. This museum represents by itself one of Pilsen’s largest tourist attractions. Founded in 1982, the museum prides itself in being the largest Mexican cultural center and museum in America (Bentacur, 2005).

Yet, many local residents proclaim that the museum, the trolley rides, and the other recent initiatives were not created to the benefit of residents or the community. Tension within the community concerning the motives and intentions have been prevalent since the museum’s and the other act’s creation (see Bentacur, 2005). For example, to the Executive Director of Pilsen Alliance, the free trolley rides and attempts to boost tourism are viewed as a slap in the
face to the community by many (see Bentacur, 2005). Thus, these rides continue while night and weekend public transportation service for the community was discontinued in 1997. Whereas many residents do not have sufficient access to public transportation to get to their places of work or shopping, tourists are invited to take a free trolley ride in the very same neighborhood at the city’s expense. Despite these claims, the city has pushed ahead, and came to feature Pilsen on the official city tourist site. The site descriptively markets the guided tours and free trolley rides of Pilsen (see explorechicago.org).

Figure 12: Mural 1

Source: Photograph taken by the author (May 2010)
Figure 13: Mural 2

Source: Photograph taken by the author (May 2010)

Figure 14: Protest against gentrification

Source: Photograph taken by the author (March 2009)
In this setting, on January 24, 2006 Alderman Solis, together with three local community organizations (The Resurrection Project\textsuperscript{25}, the 18th Street Development Corp.\textsuperscript{26} and the Pilsen Neighbors Community Council\textsuperscript{27}), joined the pro-gentrification Pilsen Planning Committee (PPC). Their community redevelopment plan, offered in 2007, became a central plank to make Pilsen an “ethnic oriented neighborhood”. Their vision, from the outset, was to forge a “\textit{prosperous Mexican ethnoscape}” (see table 2) that would reflect a civic, stable neighborhood and enhance city ethnic diversity. The rhetoric served up the notion of creating an idealized ethnic enclave, replete with signs of prosperity and vibrancy that would be a safe and entertaining place for all in Chicago to discover. The plan, initially released but still evolving in content, will feature five strategic strategies to make the new Pilsen. The central strategy, already agreed upon and codified, is to improve Pilsen’s image as a family oriented, authentic Mexican neighborhood. According to the PPC, Pilsen must build up its image and embed this in its physical fabric to attract customers and visitors. At the center of this would be [to recognize that]

\textsuperscript{25} Historically, The Resurrection Project (TRP) was an active organization in Pilsen that advocated for the working-class sectors in Pilsen by promoting affordable housing and contesting gentrification projects. Over the years it has progressively transformed into an organization that works together with Alderman Solis in search of funding to sustain its endeavors. TRP, together with prominent investors, and help from the city, made a significant impact in Pilsen by building affordable housing. Founded by six Catholic parishes in 1990, TRP has catalyzed more than $120 million in new neighborhood investment. It became the city’s largest producer of New Homes for Chicago, and closed 361 mortgages with less than 1 percent defaulted. In 1998 the organization was invited by LISC/Chicago (a prominent foundation that is supported by MacArthur Foundation, Lloyd A. Fry Foundation, and Annie E. Casey Foundation among other examples) to participate in its pilot New Communities Initiative. In 2000, the LISC New Communities Programming in partnership with TRP (they already developed a coalition in the mid 1980s) introduced a plan (this time named El Zocalo) to develop the commercial corridors of Pilsen into a “more pronounced Mexican cultural attraction” (LISC and TRP, 2000). This project included specialty stores and other touristic features. In 2006, under the Quality-of-Life-Plan, the TRP, the LISC, and other institutions elaborated a working vision statement that notably communicated a vision of Pilsen: “Build and preserve a stronger, safer, healthier, mixed-income Mexican community for families while enhancing the character and history of the neighborhood” (working vision statement, Pilsen Retreat Report, 11-22-05).

\textsuperscript{26} Eighteenth Street Development Corporation (ESDC) has worked in Pilsen since 1976. This community organization is funded by the Chicago Department of Housing and offers assistance on commercial development, housing development, historic preservation tax benefits, and industrial development (http://www.eighteenthstreet.org/services.html website, retrieved June 9, 2011).

\textsuperscript{27} Pilsen Neighbors Community Council, founded in 1954, works to establish justice and equity policies and practices in the Pilsen and Southwest areas (through the areas of education, civil rights of immigrants, and transportation). It also works to strengthens religious faith in the community by “investing the development of leaders, and pastors through training and action” (http://pilsenneighbors.org/beta/about-us-2?lang=en).
“the 18th street business district with its Mexican handicraft shops, groceries, coffee houses and bookstore, as a cultural and economic asset that must be protected” (PPC-Quality-of-Life-Plan document, 2006). The elaborate strategy would place in this area a wealth of potent signifiers: ethnic banners, kiosks, benches, landscaping, and attractive signage.

At the same time, the drive to commodify local identities accelerated. Here there was growing recognition of Pilsen as inhabited by “ethnic infused beings”. To developers, builders, and the city, Pilsen’s residents became more intensely crafted as wearers of an authentic ethnicity, incorporating a distinctive ethnic world. Pilsen residents thus became more intensely caricatured as ‘authentic’, ‘rooted’, and ‘proud Mexican Americans’ intent on preserving their ethnicity. As such, these identities were to be captured in a stylized, symbolic imposition: in instilling ethnic restaurants, benevolent push-cart vendors, authentic art galleries and museums, ethnically preserved shops, and ritualized street fairs. Making ethnicity visible and open to widespread consumption was the core of the matter. As the representative of the Office of Tourism puts it “… A true Mexican neighborhood like Pilsen is one part of the total ethnic puzzle that makes Chicago a diverse ethnic city ... preserving this ethnicity is the key. It is our job to identify [this], capture [this], and sell [this]” (Interview with representative of Office of Tourism, in Wilson, 2004).

At this point, historic preservation became a central instrument of change. In 2006, Alderman Solis aggressively spearheaded a drive to designate Pilsen a historic district (from Halsted Street and Western Avenue to 16th Street to Cermak Avenue). Here, the program would provide property owners within the district with a tax benefit for renovations that would preserve the structure’s historic value (Alderman Solis website, 2010). With more than 4,400 residential
and commercial structures that qualified for historic preservation, Alderman Solis was avidly supported by City Hall and local community groups like The Revitalization Project, the 18th Street Development Corp, and the Pilsen Neighbors Community Council (Avila, 2006).

In the details, the policy would freeze property taxes for eight years for the owner of a home, building, condo, or cooperative if the owner lives in the structure. But to qualify for the tax break, the owner would have to spend 25 percent of the property's assessed value on improvements. This could entail a down payment of $80,000 that most of the homeowners don’t qualify for. After eight years, property taxes would rise gradually (Avila, 2006). The other types of tax benefits exist for renovating landmark buildings: a federal income tax benefit for large buildings and a property tax benefit for commercial building owners (Avila, 2006). Yet, to this initiative, Virginia Ordonez, executive director of the Pilsen Alliance, anticipated that few homeowners could afford the minimum expenses to qualify for the tax freeze.

**Neoliberal redevelopment’s subtly changing rhetoric**

“Residents [in Pilsen] don't move out of the neighborhood because of gentrification, but because of crime, bad schools, lack of park space, and other quality-of-life issues” (Interview with Alderman Solis, in Lutton, 1998).

“We have a good mix of working-class and professional people who are fixing up the older buildings, getting involved in the community and putting down roots. We've always been a port of entry, but now we are more than that (...)” (in Stangenes, 2006).

In the course of the 1990s to late 2005 different initiatives (TIF-Centro 18, Podmajersky’s ongoing redevelopment, UIC campus expansion, Chantico Loft condominiums, touristic and historic preservation initiatives) have shown that redevelopment in Pilsen has profoundly advanced in a fast pace. But this hasn’t been accomplished without any physical impacts and
consequences for Pilsen’s residents. The data gathered from 1990 to 2010 (in Hague and Curran, 2006; U.S. Census Bureau 2010) showed the dramatic increase in assessed property values, property taxes, and rents that have threatened the ability of homeowners to remain in their homes and have displaced renters (the majority of the population in Pilsen). Additionally, Pilsen has been particularly susceptible to speculative development due to the mismatch between zoning and current land use (the RT-4 zoning designation of a large number of single-family homes has left these homes vulnerable to condominium conversion, which has further fueled increases in real-estate prices). As previously seen, condo conversions are allowed through zoning variances, even in the industrial tax increment financing district that was supposed to create industrial jobs. Interviews with several local residents in 2009 and representative of Pilsen Alliance have also shown that ethnic retailing and coffee shops have terribly thinned (March 25, 2009). Concerns about demographic change were eloquently expressed by one of the owners of a famous local restaurant: “‘Low-income families are moving out. You got all these migrant families who came from Mexico who can no longer afford to live in Pilsen,’ says Gutierrez, sitting in the dining room at Nuevo Leon. ‘On a Friday night, you used to see Mexican families in here. Now you see a lot of white American families. Business is business. But you see the change.’” (in Boston Globe, March 18, 2007).

These effects in the physical and social landscape of Pilsen and alderman Solis’ strong desire to revitalize the neighborhood showed that Pilsen residents’ fear of displacement and gentrification was not unfounded. As discussed, fear of displacement and gentrification mobilized this group, further exacerbating tensions in Pilsen. Pilsen’s residents and activists

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28 Analysis of the building inventory data combined with response from community residents has led the Pilsen Alliance to advocate for a downzoning of sections of the neighborhood from RT4 to RS3. The data has also shown that a large number of homeowners are not claiming the homeowner exemption on their property taxes (Hague and Curran, 2006).
defended their roots, cultural heritage, and sources of labor as they have done ever since the Chicago 21 Plan in the mid-1970s (Bentacur, 2005).

This resistance, sporadic, but periodically substantial, has shaped local redevelopment dynamics. To date, gentrification has not been thwarted, but the struggle, as discussions with local developers, the real-estate community, and the city revealed, have poignantly reverberated through the community’s consciousness. Redevelopment to move forward hasn’t been an easy task. Early on, Alderman Solis expressed to the Chicago Reader that “…every development project in Pilsen has been questioned, and not only questioned, but there have been allegations that it's part of a conspiracy to ethnically cleanse the area or to gentrify the area. That includes a streetscaping project along 18th Street, the UIC expansion, and an industrial TIF that I'm proposing for the neighborhood” (in Lutton, 1998). Prominent developer Podmajersky also noted that today Pilsen is known as “the explosive neighborhood where angry Latinos meet attempts to upgrade” (Interview with developer J. Podmajersky, in Wison and Sternberg, 2012). Moreover, residents’ mission, to this developer, “is to thwart upgrading at every turn”. Similar themes were expressed by the representative of Lipe Properties Company: “Many private developers have been scared away by activism and controversy in the area” (Interview, June 18, 2010).

Yet, neoliberal redevelopment governance helped rationalize the benefits of redevelopment as well as adroitly overcome contestation in most cases. As seen, from 1996 to 2005, developers, builders, and the city became omniscient narrators and central figures who managed and directed redevelopment as they see fit in Pilsen.

It is important to note that this powerful, pro-gentrification rhetoric now chronicled subtly began to change in 2006. A growing feeling of turbulent economic times has contributed to a
pervasive sense of doubt about Chicago’s redevelopment future. As one developer I talked to put it: “... I am now not so sure about the carrying capacity of the city to absorb new building ... I have hopes ... but times have changed ... it’s unclear what the future will bring” (Interview, August 7, 2009). The national and local economic slow-down, the city’s growing debt ($420 million in 2009, see Huffington Post, 2008), and proliferating mortgage foreclosures have become illuminating symbols to him and others. This sensibility now affects builders and developers that do business in Pilsen and across Chicago. In some cases, some projects, such as Centro 18 that were inaugurated with much enthusiasm, were discontinued.

In this context, the real-estate community now strives to be more adroit, astute, and engaging in Pilsen. Sense of difficult times has led to a refinement of interactive strategies and policies. This new real-estate strategy is consistent with The Revitalization Project (TRP)’s initiative (now characterized as a pro-gentrification actor). Since 2006, in times of economic constraints and less investment in the neighborhood, the TRP started to incorporate other market dimensions into its agenda. The idea of developing condos and town houses for the more affluent was not unpopular for TRP if they saved 21 percent for the mixed-income houses. As Kerry Smith pointed out, “we [TRP] had to sit and negotiate, instead of opposing the construction of these endeavors like other [organizations] have been doing [referring to Pilsen Alliance]” (Interview, August 7, 2009). A similar sensitive strategy, and successful one was conducted by Lipe Properties. Anticipating active contestation, Lipe Properties decided to set aside 21% of the Chantico Loft units for mixed-income houses (Chicago Tribune, April 22, 2005).

In line with the perceived harsh economic times, pronouncements about Pilsen and its social fabric also subtly changed. This place and population continues to be cast as culturally afflicted, decimated, and pathologically driven, i.e., as “disorderly” and “crime ridden” (Wilson
et al., 2004; Wilson and Grammenos, 2005). Yet, this ‘revanchist’ rhetoric (Smith, 1996) has begun to soften, in anticipation that it would be decreasingly successful. New city economic realities, increased impoverishment and hunger, unemployment, increasing protests, and an eclipsing city hungry to maintain its already dropping revenues have created an atmosphere and the need to subtly shift the redevelopment rhetoric (Wison and Sternberg, 2012). Thus, one developer noted to me: “hey, we need to see the poverty and problems in Pilsen ... there are many struggling here in Pilsen ... it’s hard times ..” (Interview August 7, 2009). Moreover, a realtor noted to me that “Central Pilsen is tough, it’s still populated by the misguided poor ...but many are in tough times, it’s a tough world now here and elsewhere ..” (Interview August 7, 2009). As final evidence of this shift, Alderman Solis expressed the new character of the Pilseneros as hard workers, professionals, and rooted and forever proud Mexican Americans: “We have a good mix of working-class and professional people who are fixing up the older buildings, getting involved in the community and putting down roots. We’ve always been a port of entry, but now we are more than that (…)” (Chicago Tribune, February 18, 2006). Now, revanchist sentiments were being tempered by an offering of more humanism (see table 2). A sense of starkly grim economic times, city economic malaise, a stalled real-estate sector, and discordant residents tired of poverty has induced this response.

Currently, on the one hand, housing affordability in some areas of Pilsen continues to attract new incomers while also offering a choice to old residents to stay and attracting low-income households from elsewhere in the city. On the other hand, long-term disinvestment in the housing stock and speculation appears to be driving up housing values throughout the neighborhood but particularly to the east (Interview with Professor of Geography in Chicago, March 25, 2010). Additionally, the city continues to engage in an intense process of promotion
of Pilsen’s unique Mexican culture. Condominium conversions (Figure 15) are slowly but still moving into east Pilsen; the media and multiple web pages are promoting the area as a place to visit and live in; specific sites have been proposed for zoning changes and middle income developments. In short, although the upgrading and gentrification process has slowed down compared to 2003-2006, the area is still cultivated and promoted as “an ethnic enclave” and a leading edge for redevelopment.

TABLE 3: REDEVELOPMENT PROJECTS EXAMINED THROUGH 4 DIMENSIONS OF ANALYSIS.

<table>
<thead>
<tr>
<th>Spatial Project</th>
<th>“Ravaged-depressed space” that can become a “potentially prosperous ethnoscape”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural project</td>
<td>People to be understood as “ethnic-infused beings”</td>
</tr>
<tr>
<td></td>
<td>Neighborhood to be understood as a contributor to the city’s economic aspiration (go-global project)</td>
</tr>
<tr>
<td>Process-based project</td>
<td>A shifting less punitive rhetoric towards the Latino population</td>
</tr>
<tr>
<td>Historically and geographically constituted project</td>
<td>A (Pilsen-and Chicago) specific redevelopment rhetoric and practices are offered</td>
</tr>
</tbody>
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Figure 15: Recent developments in Pilsen

Source: Photograph taken by the author (May 2010)
CHAPTER V:

ARGENTINA’S NEOLIBERAL GOVERNANCE ASCENDANCY, INSTITUTIONAL AND ECONOMIC CRISIS, AND THE BUENOS AIRES NEOLIBERAL REDEVELOPMENT GOVERNANCE
Argentina’s neoliberal governance ascendancy and 2001 crisis

Between 1989 and 1999, Argentina introduced a series of structural economic changes that came to constitute its neoliberal core. Following the Washington consensus protocol, two main laws were approved by the Congress: Reform of the State (August 1989) and the Economic Emergency Act (September 1989). These two laws provided the legal framework for the subsequent economic policies: privatization of practically all public enterprises (i.e., telecommunications, gas, electricity, water, transport, iron, and steel); implementation of free movement of capital; reduction on import tariffs; and re-negotiation of the external debt to arrange payments (Lo Vuolo, 1997). Following this, in 1991 the Convertibility Law was enacted. This law meant the deregulation of the economy and the reduction of the federal government from 347,000 to 200,000 jobs (Acuña, 2002: 46); the reduction of the foreign debt; the liberalization of trade; the flexibilization of the labor market; the reduction of labor costs; and the privatization of the retirement system.

This package of policies considerably increased Argentine foreign trade. However, the opening of the markets and the overvalued local currency had an important impact on the imports and exports balance. The stronger impact was on the local industry and budget. As an immediate result of the reduction of tariffs and the opening of the market, imported manufactured goods flooded the domestic market (especially textile, car, paper, and food products). In the process, the national labor market experienced several changes: a growth in the informal sector of the economy, a decrease of full-time jobs, an increase in service jobs, and a reduction of manufacturing industry jobs (Lo Vuolo, 1997; Beccaria and Lopez, 1997). For only a few years (1991-1994), the national economy decreased its inflation rates and began to grow, mainly as a result of short-term investments and the foreign capital influx that was injected into the privatized companies. Yet, the social consequences of these economic reforms were
tremendous. Despite the economic growth, the unemployment rate quickly increased from 5.2% in 1991 to 12.2% in 1994, followed by 18% in 1998.

After eight years of this aggressive neoliberalism which came to be known as “savage capitalism” (Klein, 2007) the national economy deteriorated leading to a national crisis. To note, privatization decimated the middle class: more than 40 percent lost their white-collar jobs and the bulk of their safety net (i.e., clientelist networks). The virulence of the outrage of 2001, as we will see below, was fueled in part by the perception that the middle class, accustomed to a solid materialist existence, experienced a decimation of these once realities (North, 2007).

In 1999, after ten years of President Menem’s administration, De la Rua, former mayor of Buenos Aires, was elected President. He took office with a critical federal fiscal deficit, escalating unemployment, a huge reduction of international investments, and growing international debt. In response, the Convertibility Law was eliminated and the national currency was devalued, which led to a slow recovery in the production of national assets.

But in 2001, as a result of significantly unpopular policies and a critical economic and political-institutional situation, President De La Rua was forced to resign. Over three days in December 2001, a mass demonstration composed of seniors on pensions and unemployed and underemployed people converged on the Plaza de Mayo in central Buenos Aires, banging pots and pans, and letting off fireworks. The immediate cause of their anger was an aborted attempt by the state to raid private pension funds to pay an installment due on Argentina’s foreign debt (North, 2007). This undermined investors’ confidence and money quickly flowed out of the country into offshore accounts in U.S. currency. Citizens still talk of lines of armored cars on their way to the airport and to the ferry to Uruguay. The state then attempted to counter this monetary exodus by freezing bank accounts, but it was too late. A monthly drawings limit of 350
pesos was imposed, known as the “corralito” or “playpen”. Furious savers vented their anger at the inability to withdraw their money. They were quickly joined by thousands of unemployed and underemployed people, who were unhappy with their treatment by the regime. Buenos Aires exploded into near insurrection. An attempt to declare a state of emergency was the final straw: in what became known as the “Argentinazo”; President de La Rua was forced to resign and flee the presidential palace in a helicopter. Three other presidents came and went in quick succession before the Peronist Eduardo Duhalde became interim president.

During the early months of 2002 the economy nose-dived. Rock (2002) reported that the Argentine gross domestic product (GDP) sank by 16.3 percent during this period, while manufacturing output plunged 20 percent. One in five Argentinians now lived in severe poverty, which in the provinces meant hunger and struggles to obtain decent housing (North, 2007). Twenty percent were unemployed, while an additional 23 percent were underemployed.

In April 2003 President Nestor Kirchner was popularly elected. A two-year period of economic and social stability followed by three consecutive years of steady economic reactivation through an export boom on the back of a newly competitive peso showed that Argentina was slowly recovering from the 2001 crisis. The economy grew at a steady 8.8 percent in 2003 and 2004, but 40 percent of Argentines still lived below the poverty line, with 15 percent still in extreme poverty (Buenos Aires Herald, 2005).

**Impacts of neoliberal policies on Buenos Aires’ real-estate market**

The social and economic impacts of the neoliberal federal policies introduced in the early 1990s cut through Argentina’s capital city, Buenos Aires. First, with markets opened to foreign goods and capital investments, foreign investment into the city’s built environment accelerated. Thus, shortly thereafter, IRSA, one of George Soros’ multinational real-estate companies,
became one of the principal real-estate investors in Buenos Aires, followed by Macri, Consultatio Groups, and local investors and developers (Jacquelin, 1997; Brea, 1998). Most affected was the Catalinas Norte and Puerto Madero areas, which experienced a dramatic burst of businesses, financial establishments, service industries, international hotels, shopping centers, upscale restaurants, and boutiques (see Jacquelin, 1997; Brea, 1998; Crot, 2006).

Amidst this real-estate boom in downtown Buenos Aires, spatial segregation intensified during the 1990s. Thus, an analysis of the residential construction market between 1980 and 1999 shows a major increase in residential polarization. At the same time, there was a major growth in luxury homes as gentrified enclaves sprung up across downtown Buenos Aires. Thus, a study of socio-residential changes in the city in the last two decades of the 20th century reveals that “housing construction has been increasingly directed towards high-income groups” (Plan Urbano Ambiental, 2000: 11).

In Buenos Aires and its metropolitan area of 13 million people, the social consequences of these policies can be also viewed through the rate of urban unemployment and employees without social benefits. During the 1990s a large number of workers were excluded from the job market. Between 1991 and 2001, the unemployment rate increased to 26.7%, with an outlying 20.2% unemployment rate in 1995 (Ministerio de Trabajo y Unidad Social, 1995). For employees with benefits, from 1980 to 2001 the number of employees with some social benefits decreased by 11.3%. This situation was even worse for workers that had no benefits; from 1980 to 2001 that rate went from 12% to 35.8%. The deterioration of the labor market had a major effect on the wealth distribution and increasing levels of inequality that exploded as a result of the 2001 crisis. In Buenos Aires, the increases in inequality can be seen through the changes in the Gini coefficient, which went from 0.411 in 1980 to 0.437 in 1990 to 0.446 in 1997 (Altimir & Beccaria, 2001). In addition, to the Encuesta Permanente de Hogares of the INDEC (Permanent Household Survey) taken from August 1998 to August 1999, 90% of the 13 million people living in the Buenos Aires Metropolitan Area experienced a reduction in their income by almost 10 percent, while the richest 10 percent achieved an increase of 5 percent (Clarín Digital, 3-11-99). The survey also estimated that the richest 20 percent of the population of the BAMA took 55.2 percent of total income while the poorest 20 percent took only 3.9 percent (Clarín Digital, 3-11-99). Thus, the richest segment of the population took 14 times more than the poorest. As Grimson and Cerruti note (2007) high levels of inequality were caused by the high levels of unemployment in the BAMA, as well as by the growth of families already resident in the ‘villas miseria’ (shanty towns).

In addition, the average surface per new residence indicates that applications for—and approval of—construction permits have been predominantly aimed at the provision of large units. This clearly points toward a reduction in the provision of cheap residential solutions. It also denotes a marked distinction between the 1980s and the 1990s: when comparing between two nine-year periods, from 1982 to 1990 and from 1991 to 1999, the numbers show that during the second period the total provision of new residential units rose by 377% and the total provision of newly built square meters increased by 253% (Crot, 2006).
Yet, in the late 1990s the real-estate boom slowed down after the Convertibility Plan showed signs of exhaustion. And as a consequence of the national economic shortfall, from 2001 to early 2003, the real-estate market in Buenos Aires experienced a roll back (CEDEM, 2006). In 2002, during the first months of the national currency devaluation, the local real-estate sector not only suffered the impact of the general crisis and the dilemma of reduced consumption, but also, the impact of the currency devaluation, which drastically dropped property and land prices. The recession persisted until early 2003. However, in 2003 an interesting economic phenomenon occurred. In that year, the main source of capital injection for the real-estate market was the funds ‘saved’ by citizens as a consequence of the corralito (playpen) policy and from the savings accumulated by the financial system. As previously discussed, the corralito was the freezing of citizen’s bank deposits in late 2001. As a result of capital fleeing overseas and the absence of a back-up for the bank deposits in foreign currency, the withdrawal of money from the bank accounts was strictly limited (only $250 pesos a month) and the larger deposits were confiscated by the state. Additionally, after the national currency devaluation, the deposits were converted into pesos using some arbitrary indexes. As the U.S. dollar quickly incremented its value, many bank clients appealed to the department of justice and wanted to claim their deposits in dollar currency. An alternative to quickly recovering these assets, since the money couldn’t be withdrawn, was to “jump over” the corralito, (i.e., invest in the real-estate market). In the process, between 2003 and 2004 the market was fueled by middle-income investors, who bought properties to jump over the corralito but also took advantage of the low property prices. To the Centro de Estudios Demograficos Metropolitanos (Center for the Study of Metropolitan Demographics- CEDEM), these actors were the ones who then sustained the real-estate boom during 2003-2005 (CEDEM, 2005), especially in San Telmo as we will be discussing later.
In sum, after the currency devaluation in December 2001, a segmentation of the real-estate market became more pronounced in Buenos Aires. On the one hand, there was a new demand for higher price housing. On the other hand, 7.1 percent of the households (212,289 people) still had basic materialist needs unsatisfied\(^{31}\) (Census 2001). In the southern area of Buenos Aires, in particular, the middle- and high-income sectors were the ones that invested in new properties after the economic crisis, more discussion about this will follow (Herzer, 2008). The following section will focus on narrating the redevelopment governance in the south area (La Boca and San Telmo), its operations, institutions, and outcomes.

**Buenos Aires’ neoliberal redevelopment governance**

Buenos Aires’ neoliberal redevelopment governance\(^{32}\) became sanctioned with the new autonomous political status\(^{33}\) in 1996. Once the city was granted political autonomy with its own constitution, own budget, and with democratically elected executive and legislative powers, it established the normative regulations and institutions (see later section) to advance

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31 This index has been recommended by the CEPAL (Economic Commission for Latin America) since the 1980s as a way of measuring poverty. It comprises type of housing, access to sanitary services, level of instruction, and household income.

32 We will consider this period – from the early 1990s to 1998 - as the first phase of neoliberalism characterized by a predominant influx of global real-estate capital. However, for the purpose of this study we will focus on the second phase of neoliberalism - from 1998 to the present - whereby neoliberal redevelopment governance dramatically advanced as it became consolidated. It is also necessary to note that in the early period, global capital investment and the federal government were the principal forces that physically transformed downtown Buenos Aires, particularly Puerto Madero (Madero Port). However, since the nature, institutions and impacts of this redevelopment project were significantly different from the one that will be narrated for the south area, we will not describe the redevelopment project of Puerto Madero. Very briefly, the Puerto Madero consisted of an urban renewal project in the old port of Buenos Aires that cost the global capital and federal and local government $2.5 billion. Interestingly, Puerto Madero had been an abandoned port district of warehouses, silos, factories, mills, and customs houses on the waterfront of the Río de la Plata until the early 1990s, when a joint venture of local, federal government, and global capital development sought to transform the area into a live/work and entertainment complex, replete with lofts, offices, hotels, theaters, restaurants, and cafés. This initiative basically didn’t have a major impact on the displacement of population as the redevelopment was executed in a desolated area.

33 Within the previous city’s political regime, the mayor was appointed by the President of Argentina. After the reform of the national constitution in 1994 and the dictate of a local new constitution in 1996, the citizens of Buenos Aires could elect its mayor and representatives of the Legislative Chamber.
redevelopment projects. With the deregulation of the real-estate market and favorable real-estate market prices compared to other markets in Latin America and abroad, this governance was primed to now push to build an affluent, real-estate profitable city that would also be livable for its citizens.

At the core of this\(^{34}\), the neoliberal redevelopment agenda has strived to promote Buenos Aires as a culturally and socially integrated city. In general terms, the Buenos Aires’ cultural and integrated city initiative has focused on expanding aesthetic and cultural consumption policies and upgrading disinvested areas that would ultimately attract local and foreign real-estate capital investment and socially integrate communities (La Nación, February 27, 2000).

This ongoing neoliberal governance has relied on the following institutions (see table 4): local government, prominent local real-estate capital, prominent local developers, builders and financial institutions, and especially professional corporations, public-private civic corporations, and academic institutions. Although as auxiliary players, the Argentine Chamber of Construction and the media have been actively shaping planning agendas (Interview with city planner, in La Nación, March 14, 2005). By 1998, this coalition had worked together to predominantly promote cultural and aesthetic consumption initiatives (e.g., promoting cultural and historical preservation initiatives, expanding museums, art galleries, restoring façades, etc.) and to upgrade some areas of the city considered ‘relegated’ and ‘disinvested’ (Crot, 2006).

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\(^{34}\) Successive elected administrations: De La Rua, Olivera, Ibarra, Ibarra, Telerman, Macri, and currently Macri. De La Rua, former Federal Senator, became the first elected mayor of Buenos Aires following elections on June 30, 1996. He resigned in 1999 to become President of Argentina and was forced to resign in December 2001.
### TABLE 4: NEOLIBERAL REDEVELOPMENT GOVERNANCE IN BUENOS AIRES

<table>
<thead>
<tr>
<th>Population Size</th>
<th>2,891,082 (Census 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutional Composition</strong></td>
<td>Local government</td>
</tr>
<tr>
<td></td>
<td>Prominent local real-estate capital, developers, builders and financial institutions</td>
</tr>
<tr>
<td></td>
<td>Professional corporations</td>
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<tr>
<td></td>
<td>Public-private civic corporations</td>
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<tr>
<td></td>
<td>Academic institutions</td>
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<tr>
<td></td>
<td>Homeowners and artisans</td>
</tr>
<tr>
<td></td>
<td>Auxiliary players: Chambers of Construction, the Media.</td>
</tr>
<tr>
<td><strong>Dominant Rhetoric Used</strong></td>
<td>Culturally-driven and socially integrated city</td>
</tr>
<tr>
<td></td>
<td>“We believe that culture contributes to the progress of the city and this cannot be delayed” (Buenos Aires government official, 2000)</td>
</tr>
<tr>
<td></td>
<td>“Culture will [socially] integrate all the areas that are now being dispersed” (Architect Roberto Converti and ex government official, in La Nación, February 27, 2000)”</td>
</tr>
</tbody>
</table>
To this end, this coalition has systematically deployed public resources: physical infrastructure, zoning incentives, public land, and tax incentives to help create demand for the real-estate community and more affluent populations’ investment. Equally important has been the clearing out of land for potential restructuring. For this purpose, eviction and displacement of families living in abandoned buildings and conventillos\textsuperscript{35} (tenements) have acutely manifested since 2003 as I will discuss later.

Accompanying the redevelopment has been an aggressive rhetoric: the need to cultivate a “culturally-driven and socially integrated city”\textsuperscript{36}. Now neoliberal redevelopment governance embraced ‘culture’ as a monolithic principle that could enable the social integration of the working class communities of the south with the more affluent ones of the north, drive redevelopment, and facilitate economic growth (Lacarrieu, 2005). A former government official summed this thematic up:

“This…we believe that culture contributes to the social and economic development and this cannot be delayed. [In addition], the local government aspires to balance the north of the city with the more deteriorated areas [of the south]… We want to diminish the structural unevenness of the city” (in Arenes, 2000).

\textsuperscript{35} The history of the conventillos dated back to the European immigration. Between 1869 and 1904, the Buenos Aires population quintupled and surpassed the housing capacity. It was then when the casas de inquilinato o conventillos became a good alternative to host the hordes of immigrants: there were houses with many rooms, all of them facing a common-use patio. The families will pay a rent and share the restrooms and the kitchen. It is estimated that around 500 conventillos remain in La Boca (Clarín, February 27, 2004).

\textsuperscript{36} I argue that this vision was drawn on the concept of progress anchored by the ‘Generation 1880s’, an elite who governed Argentina from 1880 to 1916 that followed and cultivated the positivist principle of ‘progress’. In this period, this group of government officials and intellectuals elaborated main principles to build the ideal Argentine nation. This Generation believed - and it developed thorough different sociopolitical periods - in a nation as a progressive-oriented entity linked to three core values: culture, development, and social integration (Lacarrieu, 2005: 392). This elite also believed that the city of Buenos Aires was the exemplar community where the project of a progressive nation was to be consolidated and cultivated (Lacarrieu, 2005) and, at that time, to this elite, Buenos Aires had embraced these key core values. In this context, this vision of the city of Buenos Aires, as a city of culture, development, and social integration, has been embedded in the social imaginary and has historically been embraced by the citizen’s culture (Gorelik, in Lacarrieu, 2005)
But while cultural policies and programs were flourishing, they generated impacts that escalated over the years. By 2003, the city’s neoliberal redevelopment governance had created an increasingly class-segregated city. In the housing realm, reduction of the public housing budget (for example, the Instituto de Vivienda de la Ciudad reduced its budget by 50 percent from 2006 to 2011) was inversely proportional to the rate of construction of housing for middle- and upper-income sectors (see Furlong and Torres, 2000). This public housing reduction helps explain why an unprecedented 20 percent of the population (600,000 inhabitants) registered deficient housing conditions in the city in 2010. Within these numbers, 100,000 live in abandoned buildings (Census, 2010). In response to this housing affordability crisis, local government initiated a number of programs (i.e. affordable housing, rebuilding and refurbishing of conventillos) that ultimately resulted in low levels of execution (see Rodriguez et al., 2008).

By 2003, redevelopment actions continued to proceed aggressively ahead. Yet, the redevelopment rhetoric changed in response to evolving social, political, and economic conditions in Buenos Aires. This revisionist rhetoric took a decidedly “revanchist” turn, offering more punishing and afflicting conceptions of people (the poor), places (poor neighborhoods), and processes (poverty). The rhetoric, now, renders squatters as “undesirable” and “plagues” in the city landscape. Constructions of the ocupas (slang for squatters) are widely portrayed as pathological analytic objects that need to be reformed or displaced to other localities. The result: this revanchist rhetoric (Smith, 1996) helped rationalize growing displacement across the city. One case, in the city’s south area, is notable for the controversy it provoked: the displacement of 187 families and the eviction of 14 families from an abandoned building, ex-orphanage named “PADELAI” (discussed in detail in the next chapter). Today, this governance continues to

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37 From 1998 to 2006, the income gap between the richest 10 percent and the poorest 10 percent was 126 wider and increased by 17 percent (Rodriguez et al., 2008).
aggressively pursue a “culturally-driven and socially integrated” city restructuring. The physical and social transformation of the south area continues to proceed ahead, now extending it to La Boca and San Telmo (Interview with Professor of Sociology, January 4, 2010).

The following chapter examines the most significant redevelopment initiatives that have changed the physical and social character of La Boca and San Telmo. Neoliberal redevelopment governance’s crafted rhetoric, freely using metaphors, imagined spaces, and sanitary codings will be discussed in my analysis.
CHAPTER VI:
LA BOCA AND SAN TELMO: COMMUNITIES IN TRANSITION
Neoliberal redevelopment governance in La Boca and San Telmo

La Boca, together with San Telmo (Figure 16), is one of the oldest areas in Buenos Aires. It retains a strong European flavor dated from the late 19th century when its early settlers arrived from the Italian city of Genoa. These early Italian settlers worked in the warehouses and meat-packing plants. Around 6 million foreign immigrants poured into Argentina between the years 1880 and 1930, in which time Buenos Aires quickly turned from a small town to a growing city. La Boca became a working-class district and residents lived largely in small homes made of wood and metal sheets. These houses were typically built on stilts because of constant floods; they were painted with the leftovers from the painting of ships (Figure 17). From 1930 to 1970, La Boca became a site for meat-packing industries. Shortly thereafter, it experienced a sustained de-industrialization (see Gutman and Hardoy, 2005). Its industrial base was largely dismantled during the introduction of neoliberal policies in the late 1990s (Lo Vuolo, 1997; CEDEM, 2006). Through the mid-1990s, the neighborhood fell into a downward spiral of decline and disinvestment.
Figure 16: Buenos Aires neighborhoods

Source: Direcccion General de Estadistica y Censo, Ministerio de Hacienda, Gobierno de la Ciudad de Buenos Aires (2011)
With a population of 46,494 (Census 2010), La Boca is currently a working-class neighborhood and an artist colony with nearly 30 percent of residents officially unemployed. Most of the residents are renters (60%), followed by homeowners (28%), and the rest (22%) live in precarious, if not illegal, tenancy situations (Herzer et al., 2008). About 23.7 percent of the households has basic unsatisfied needs (NBI\textsuperscript{38}), and housing is concentrated in significantly degraded conditions, such as conventillos (tenements) where the access to sanitary services is shared by various families and the housing is often structural unsound (Census 2001). The conventillos represent 17.6 percent of existing housing in La Boca, while 15.8 percent of the entire population resides in houses, and the rest live in apartments (63.7 %) (Herzer et al., 2008).

In this context, the terms “picturesque” and “bohemian” have historically been associated with La Boca for its concentration of artistic features, performances, and prominent streets like “Caminito” and “Vuelta de Rocha” (figures 18). These streets are touristic enclaves par excellence for its multi-colored houses, artists, and daily performances of tango. Yet, the flip side of this touristic La Boca, until 1996, has been its constant floods (Figure 19a). The neighborhood was built on the riverbanks of the “Riachuelo” river (Figure 19b), a lowland area affected by seasonal Southeast winds\textsuperscript{39}, and as a result, it has been plagued with flooding for over 100 years. Currently, La Boca does not suffer from these recurrent natural events. But overcrowded conventillos dating from the 19\textsuperscript{th} century, heavy traffic, and disinvestment are its physical features that discourage investment in its housing.

\textsuperscript{38} As previously mentioned, this is an index that measures poverty composed by type of household, income, and access to food.

\textsuperscript{39} The phenomenon Sudestada consists of a sudden rotation of cold southern winds to the south-east. This change, while moderating the cold temperatures, loads the air masses with oceanic humidity, bringing heavy rain and rough seas in the coastal regions. The air circulation also increases the intensity of the winds. The Sudestada is most likely to happen in late fall and winter.
Yet, in the last decade, this neighborhood has changed. It started in 1996 while hydraulic and sanitation works were executed along the riverfront of the Riachuelo to control local flooding (to note, floods have been prevented, yet not controlled, with patch-aid solutions implemented by the previous local administrations). Additionally, La Boca has a history of activism associated with its *conventillos*. People lived in *conventillos* since the late 19\textsuperscript{th} century until the military government (from 1976 to 1982) executed different plans to eradicate them. With the return to democracy in 1982, four attempts to rebuild them into affordable housing led by the local government have scared away the local dwellers through fears of displacement. In response to these redevelopment attempts (in 1983, 1984, 1988, and 1990), two prominent neighborhood associations, *Desalojados de la Boca* (Displaced of La Boca) and *Asociación Vecinos de La Boca* (La Boca Neighbors Association), have exercised activism to maintain these tenements (see Grillo, 1988; Suarez 1993; Lacarrieu, 1995). Yet, pressure to revamp these buildings continued when the Riachuelo riverfront renovations resumed in 1996 and later in 2009.

Figure 17: La Boca (multi-colored houses)

Source: Photograph taken by the author (January 2010)
Figure 18: *Caminito* Street

Source: Photograph taken by the author (June 2010)

Figure 19a: Floods in La Boca. Photograph from 1985.

Source: [www.noticiasde bomberos.com](http://www.noticiasde bomberos.com) (retrieved June 2010)
Similarly, San Telmo is a central tourist neighborhood in Buenos Aires. It has comparatively better living conditions than La Boca with 80.5 percent of the population employed and 79.3 percent living in well-serviced houses. These numbers contrast with 15.8 percent of the population living with basic unsatisfied needs (NBI) and 5.8 percent living in conventillos (Herzer, 2008). The barrio is charged with a historical symbolism: It maintains traditions of ferias, antiquaries, art-galleries, and tango-related activities (Figure 20). The “adoquines” (cobblestones) streets (Figure 21) are often filled with artists, dancers, and street performers during the weekends.

San Telmo is the neighborhood in closer proximity to downtown Buenos Aires. With a population of 25,969 (Census 2010), it has historically been a blue-collar working neighborhood that has slowly evolved as a middle-upper class neighborhood with flourishing trendy
restaurants, antiquaries, coffee shops, and retail stores. In San Telmo, 59.6 percent of the population are homeowners while 28.9 percent rent (Di Virgilio, 2008), the remaining population lives in different tenancy situations: renting or occupying rooms in conventillos, living in slums, and/or occupying private and public buildings.

Besides its tourist oriented areas, San Telmo is also widely known for its orphanage center, the PADELAI, built in 1904, now closed but currently being converted into a cultural center. This orphanage operated until 1970, and it remained abandoned until 1984 when it became occupied by homeless families. Since then, sporadic but intense pronouncements by the media and real-estate community have vilified the building and its residents. Yet, pathological renditions of the squatters escalated and became acute in 2003 when the local government and homeowners pushed to evict the ocupas’ and stopped until it was closed in 2005, (more details will be provided in later sections about this phenomenon). Unlike La Boca, this neighborhood does not have a predominant history of activism, and the closure and eviction of the PADELAI’s residents were widely supported by local residents, which will be further discussed.
Figure 20: San Telmo Ferias

Source: Photograph taken by the author (January 2010)

Figure 21: San Telmo, cobblestone streets and colonial houses

Source: Photograph taken by the author (January 2010)
In 1996, La Boca and San Telmo faced pressures for urban expansion and gentrification led by an alliance built by local governmental institutions\textsuperscript{40}, prominent local real-estate capital (Giesso and LG Ramos), prominent developers, builders and financial institutions (Argecons, Dypsa, Fundación Brocca, City of Buenos Aires Bank, and InterAmerican Development Bank), professional corporations (Society of Architects, Society of Engineers), public-private civic corporations (Corporation South Buenos Aires), and academic institutions (Faculty of Architecture, Planning and Design, University of Buenos Aires) (Rodriguez, et al., 2008), (see table 5). The Argentine Chamber of Construction and the media have been participating as auxiliary players and yet actively shape planning agendas (in Crot, 2006). Local homeowners in San Telmo, and prominent artisans in La Boca, became significant actors in the post-crisis redevelopment, which will be discussed in later sections. Each of these institutions has pushed to transform the physical and social landscape in the south as means to attract investment and middle-income consumers. Such physical transformation included renewal of physical infrastructure (riverfront and highways); restoration of promenades, buildings, art galleries, and historical buildings; and expansion of commercial and residential corridors with hotels, hostels, antiquaries, retail stores, and restaurants.

\textsuperscript{40} Predominantly, Urban Planning Department, Secretary of Culture, Secretary of Infrastructure
### TABLE 5: NEOLIBERAL REDEVELOPMENT GOVERNANCE IN LA BOCA AND SAN TELMO

| Institutional composition | Local government: Urban Planning Department, Secretary of Culture, Secretary of Infrastructure  
Local real-estate capital: Giesso and L.G. Ramos Realty  
Developers, builders and financial institutions: Dypsa, Fundación Rocca, City of Buenos Aires Bank, InterAmerican Development Bank.  
In the post-crisis period: local homeowners in San Telmo and artisans in La Boca  
Professional corporations: Society of Architects, Society of Engineers  
Public-private civic corporations: Corporation South Buenos Aires  
Academic institutions: Faculty of Architecture, Planning and Design, University of Buenos Aires  
Auxiliary players: Media (La Nación, Clarín, Pagina 12), Argentine Chamber of Construction |
| Dominant rhetoric used | La Boca and San Telmo are “cultural poles of attractions” to serve the purposes of the city’s “cultural and integrated city” initiative. |

The principal economic forces of redevelopment described earlier (deregulation of the economy and globally competitive property prices) and positive urban features for both neighborhoods (having lower rents and property prices compared to the rest of the city, proximate to the downtown and central areas of the city, and considerable proportion of renters -
28.9% in San Telmo and 60% in La Boca) proved to be incredible incentives for speculative real-estate capital and developers in the late 1990s (Smith, 1996; CEDEM, 2006). Some of these favorable urban features were noted by a local prominent real-estate agent: “La Boca and San Telmo have traditionally been working class neighborhoods and the prices of the rent and properties have been comparatively lower than the rest of the city” (Interview, December 19, 2009).

But in contrast to these positive urban features, the poor quality infrastructure and services provided in the south area constituted critical limitations to advance large-scale redevelopment projects. In this context, the local government took a highly active role (Harvey, 1989) in providing the material and legal conditions for developers and the real-estate community to help upscale La Boca and San Telmo. This meant investing in building critical infrastructure, creating public-private corporations, and flexibilizing zoning ordinances. All of these constituted public tools and incentives to unleash the land market from supposedly previous ‘rigid’ regulatory schemes that neoliberal actors pushed to reform. All of this will be further discussed in the next sections.

Notably, most of these redevelopment initiatives did not face active resistance. After years of physical disinvestment, the initiatives to revitalize the south area became celebrated, not contested, by sections of the media, government officials, and residents in both neighborhoods (Herzer et al., 2008). Nevertheless, contestation has been triggered by attempts to renovate conventillos (La Boca) and to evict the squatters in the PADELAI (San Telmo). This will be narrated in the following sections.

What follows is a narrative of the main redevelopment initiatives that have changed the physical and social fabric of this south area in Buenos Aires. As we see, a thick rhetoric was
critical here. The crafted rhetoric of the neoliberal redevelopment governance, which freely used metaphors, imaginary spaces, and sanitary codings, have “back-boned” these efforts. In particular, they have helped rationalize the supposed virtues and benefits of the development projects to the general public.

Principal redevelopment initiatives in La Boca and San Telmo

Normative and institutional transformations: Urban Environmental Plan (UEP), Urban Planning Zoning Code (UPC), Buenos Aires South Corporation and Historical Preservation Areas (HPAs)

In 1996, the now neoliberalized local government directed affected the south side area by creating a new development plan for it. In this Urban Environmental Plan (UEP), the City declared that this area was to be re-made as a more vibrant social and economic place.

The area, envisioned as a gentrified terrain, was to house more affluent people, upscale stores, commercial-oriented restaurants, and the like. This area, in aesthetic, was to mirror the rapidly upgrading downtown of Buenos Aires. But to gain public acceptance, the area had to be presented as currently inadequate, lacking civility and decency, and in need of restructuring. Thus, in 2000, the UEC executive board circulated a document diagnosing the status of the south area, emphasizing its “relegated” and “disinvested” condition based on the “lack of basic infrastructure, economic development and accessibility” (UEC, 2000: 50). Notably, this

41 Before 1996, the city’s urban planning and development were guided by a national law, and its mayor -then called ‘Intendente’- was handpicked by the national executive. But since it became autonomous in 1996, as declared in its new constitution, citizens in Buenos Aires elect its own executive and legislative government in charge of designing new normative and planning strategies for the city (e.g., a new Urban Zoning and Planning Code that regulates the use of the land and territorial ordering).

42 This stands for Consejo de Planeamiento Urbano Ambiental (Urban Environmental Council). This council was composed of: the Secretary of Urban Planning at the Buenos Aires City Government; the Faculty of Architecture, Design and Urbanism and Faculty of Engineering at the University of Buenos Aires; the Council of Architects; the Central Society of Architects; and the Council of Engineers (Villalonga, 1997).
document reinforced historical and local stereotypes of the south area’s population as lacking in
the drive to modernize and integrate into the city’s social-economic fabric. The following media
article summarizes this vision: “…in Buenos Aires there are two cities: one, north of the
Rivadavia Avenue, with European characteristics; and another one, in the south, more
proletarian and unprotected” (in Clarín, March 17, 2000). In addition, the document reported,
“unproductive lands”, spread in this terrain, urgently needed to be restructured for future
investment; most of them were associated with former industrial buildings and warehouses shut
down during the 1970s’ de-industrialization period (UEC, 2000: 51). Moreover, it was said, the
area also lacked a “’social integration’” into the heart and pulse of the city (UEC, 2000: 50).

Once the UEC document was released, the media grounded redevelopment discussions
that offered a rationale to normalize the physical transformation of the area (see table 6). The
media served up two prominent imaginary spaces for all to digest: a current “infrastructurally
deprived space” and a potential “livable robust space” (see table 6). The first space invoked the
Buenos Aires common stereotype of the south as a “relegated”, “disinvested” and
“unproductive” area bearing the marks of decades of de-industrialization and disinvestment
(particularly in the case of La Boca). Physical deterioration was purportedly dominant in this
terrain: “La Boca and San Telmo had crumbling housing, broken streets …for decades
everything was deteriorated. La Boca and San Telmo were forgotten until they [local
government] started the public works” (Comments from local resident, December 10, 2009).

Moreover, renditions of an ideal space - a livable robust space - also symbolically
suggested all the features of what the south area could be if redevelopment proceeded ahead. To
Lincoln (1989), such idealized images are commonly offered in redevelopment narrative. They
communicate a sense of potential and establish what kind of community development must be
cultivated. In this particular case, pronouncements were afflicting. References to an “idealized robust space”, with robust infrastructure, good service provision, and quality housing obliterated the humanity from this area. This south terrain was rendered a distinctly lacking and fractured place that was far away from the idealized kind of community that it potentially could be. Thus, a local developer, addressing the issue of community need in this south area, noted “…the better livability of the neighborhoods of the north, in comparison with that of those of the south, may be observed in the quality of the houses, in the provision of services …, of road networks and transportation” (in Herzer, 2008). At its core, this idealized community of the imaginary reinforced a common stereotype pervasive in Buenos Aires: the sense of a southern area “unsafe”, “unprotected”, and “proletarian.” A widespread stereotype this way became the aperture through which an expedient map of the imaginary was offered.

As this politics proceeded ahead, the neoliberal redevelopment governance offered tools to restructure the area. In 2000, the city launched a private-public entity, the “Corporation South Buenos Aires”, with the goal to “revitalize” the area (Buenos Aires City Government, Law 470, August 2000). Here, the executive government transferred land and public assets to the Corporation without obtaining approval of the Buenos Aires Legislative Chamber. Now, the Corporation would have discretion to clear out, assemble, sell, and buy land for redevelopment purposes in a delimited polygon that comprised parts of La Boca, among other neighborhoods considered part of the south area. As the president of the Corporation South Buenos Aires best put it:

“It is important to (...) act in idle, degraded, unproductive areas, that impact negatively on the urban landscape. The corporation is a middle ground entity that, with its management, allows (...) to have a balance between the public and private

43 Delimited by: General Paz Avenue, Riachuelo river, Espania Avenue, Elvira Rawson de Dellepiane Street, Ing. Huergo Avenue, San Juan Avenue, Directorio Avenue, Escalada, and Alberdi Avenue
sector and to favor the consensus among all the intervenient sectors” (in La Nación, February 2, 2000).

Ultimately, this entity acted as a public-private developer oriented to economically boost the buildings and lands considered “unproductive”.

At the same time, the Código de Planeamiento Urbano (Urban Planning Zoning Code, later UPC) was passed. UPC efforts became focused on the south area, which was considered an “area of priority development” (GCBA, 2003: 6). Its main objective: “is the development of the South. All the professionals coincide that in terms of planning, the city is unbalanced and that most of the investment has been concentrated in the north while the south keeps forgotten … We want to give priority to the neighborhoods of San Telmo and La Boca so that investments are put in here…” said Enrique Fazio, at that time, Secretary of Urban Planning (in Villalonga, 1997). In this context, the reforms to the code were oriented to deregulate planning rules, particularly changes in zoning, in order to encourage investment and generate more tax revenues44 (Crot, 2006). For example, the constructability of the residential districts was enhanced through the reduction of planning norms and requirements such as heights and densities, and administrative procedures were introduced to enable developers and builders to apply for changes in zoning regulations (Crot, 2006: 235). In addition, to protect the original structure of critical historical buildings, forty “Areas de Protección Histórica” (Historical Preservation Areas, later HPA) were created and designated in the UPC across the city. In the south area, the HPA districts included the Mayo Avenue, San Telmo, and Montserrat neighborhoods (UEC, 2000: 262). With respect to San Telmo, the historical district included 120 hectares, between Chile, Piedras, Caseros, Defensa, Martin Garcia, Paseo Colon, and Brasil e Ingeniero Huergo streets, which were historically tourist oriented (La Nación, February 27, 2000).

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44 However, it must be noted that planning rules had by no means represented a serious impediment to developers’ projects in the past. For instance, between 1984 and 1992, at least 770 buildings were erected as exceptions to planning regulations (Catenazzi, Da Representacao, & Lombardo, 2003).
All in all, the institutional arrangements described above constituted significant new “ground rules” and public incentives that helped unleash the land market from the supposedly previous rigid regulatory schemes. In this sense, the governance was at the center of transforming the south area by defining the legal and policy conditions under which investment and restructuring could take place. What follows is a description of the policies and programs that helped change the physical form of these neighborhoods.

TABLE 6: REDEVELOPMENT PROJECTS (EXAMINED THROUGH 4 DIMENSIONS OF ANALYSIS)

<table>
<thead>
<tr>
<th>La Boca and San Telmo</th>
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<tr>
<td><strong>Spatial Project</strong></td>
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<td><strong>Cultural project</strong></td>
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<td><strong>Process-based project</strong></td>
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<td><strong>Historically and geographically constituted project</strong></td>
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New infrastructure for La Boca: riverfront renewal and attempts to renovate conventillos

Next, the neoliberal redevelopment governance was ready to directly improve the physical infrastructure and upgrade the physical landscape in the aforementioned “infrastructurally deprived south”. Thus, the governance lobbied to help channel 100 million-dollars of financial-aid credit from the Inter-American Development Bank into the area to renew its physical infrastructure (Herzer, 2008). Of this credit, thirty million dollars were used by local government to develop a series of projects. The centerpiece was infrastructure renewal and aesthetic renovation of La Boca’s riverfront and nearby areas, and the sanitizing of the Riachuelo (‘little river’) that forms the east-south border of La Boca (Herzer, 2008). To note, these plans became part of a wider project of urbanization of the riverbank that started in early 1990s and it extended from north to south (including Puerto Madero, Costanera and Retiro). Among other hydraulic works to control flooding in La Boca, the infrastructural renewal included elevating the riverbank of the Riachuelo. Originally planned for 1994, the riverfront renovations started in 1996 and concluded in 2000 (Levit, 1998).

Re-making the area’s physical infrastructure in this areal upgrade project also involved repairing sidewalks and revamping a river walk along the Riachuelo. The governance saw these undertakings as essential; any seriously upscaled community, it seems, needed these basic elements. They were a prelude for an intensive land valorizing process that could extend gentrification to this part of Buenos Aires. Not surprisingly, then, these works were later complemented with the upscaling of traditional promenades such as “Vuelta de Rocha”, “Caminito”, and “Paseo Garibaldi” that are local historic landmarks.

The results were almost predictable. Taking advantage of the renewed infrastructure and aesthetic renovation, the local real-estate community started investing in retail shops anticipating
an influx of tourism and middle-incomers. Thus, la Boca experienced a real-estate boom shortly thereafter along the Vuelta de Rocha and Caminito streets with new cafes (4), restaurants (2), and gift shops (3), (Herzer, 2008). Developer “Fundación Brocca” helped note this physical transformation with the following quote: “La Boca has started to change its marginal destiny” (in Levit, 1998). In the process, middle-income households and artists were willing gentrification subjects. They supported this physical renovation in La Boca and identified low property prices as attractive opportunities to acquire warehouses, shipyards, and housing for recycling; the predominant purpose was to convert them into artist galleries and hostels (see Herzer, 2000).

One of the main leaders in this artisan endeavor has been Fundación Proa. This art gallery moved to the neighborhood in 1996 to become the “house of culture” in La Boca (La Nación, March 21, 2006). In 2000, it participated in restoring the street Magallanes, coined the “artisan street” as at least three ateliers moved in to that street (La Nación, June 26, 2001). Later in 2008, with aid of developer Fundación Brocca, the art gallery expanded 150 percent, from 750 m$^2$ to 2,300 m$^2$ 45, distributed across three floors (La Nación, March 21, 2008). Interestingly as well, were the perceptions of unemployed and employed residents gathered by a study conducted in the area (see Di Virgilio, Lanzetta, Redondo y Rodriguez, 2000). This study noted that a low percentage of population feared being displaced after the renovations were announced. To the study, the residents interviewed valued the infrastructural work done to mitigate the floodings, yet, did not anticipate future increments in the property and rent values (see Di Virgilio, 2008: 152-3).

Ultimately, these renovations became reflected in assessed property values. Between 1998 and 2000, the areas’ tax base increased 30 percent (La Nación, February 27, 2000). The closer a

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45 One square meter is equivalent to 10.76 square foot
parcel to the locations of redevelopment, the higher the rate of assessment. Thus, rent in a store available for commercial use close to Vuelta de Rocha would cost eight times more than on Necochea Street, which was considered a still degraded pocket (see Di Virgilio et al., 2008). Now La Boca concentrates 80 percent of its retail stores in Olavarría, Vuelta de Rocha, and the legendary Caminito streets, showing the importance of these as touristic and commercial enclaves. Despite this upscaling trend and advancing investment, La Boca was still not reaching the average median property and rent price of the city.

Yet, at this point, the redevelopment was internally uneven. Patches of major change were located within still disinvested blocks and zones that had not yet been transformed. Thus, the crowded conventillos area still remained essentially unchanged. (Di Virgilio, 2000). As one local real-estate agent noted, “Beyond Caminito the state of housing and street is still in total despair [in the area], everything is difficult to upgrade here” (December 19, 2009).

In this redevelopment, all was not so iron-fisted. Included in the redevelopment of La Boca was also the refurbishing and accommodation of seventeen conventillos. This started as an initiative to solve housing problems of 87 families in 1999 whereby the city would be in charge of refurbishing these buildings and each family would pay a small monthly rent to the city. Plans to maintain its original structure and typology (two-story buildings with a central courtyard) were discussed (Teran, 1999). However, efforts from the local government to provide public housing resulted in low levels of execution and were later abandoned due to innumerable conflicts over property rights among the conventillos’ dwellers (see Di Virgilio et al., 2008). adding to the traditional activism of housing associations. Additionally, to many, there was a general sensibility that the conventillos would remain untouched due to the increasing number of
grassroots organizations that have successfully organized the neighborhood to preserve their tenements since the early 1980s (e.g. Displaced of La Boca and La Boca Neighbors Association).

Ultimately, only one tenement house was remodeled that ended up hosting 15 families (Teran, 1999). Yet, a last and failed attempt was executed in 2009, led by a governmental agency, the Instituto de Vivienda de la Ciudad (City Housing Institute). In this case, this city agency offered to refurbish the conventillos in exchange for a $120,000 pesos mortgage to be paid by the families in 360 monthly installments (Clarín, January 15, 2009).

Finally, highway constructions contributed to the transformation of the area, connecting the south area of the city with the metropolitan region (La Nación, February 27, 2000). There was a pervasive feeling among governance actors that this south area was relatively isolated and needed to be more closely hooked into the city’s circuit of tourism. To gentrify and be a city treasure, it seemed, accessibility to the area had to increase (UEP-GCBA, 2003). With the assistance and financial support of the federal government, the city’s two main highways were expanded into the south area in 2000 (Herzer, 2008). Again, the public works were also celebrated by the local media, showing that the south area was finally physically changing despite years of disinvestment: “La Boca is changing. ... a process of transformation has began, that in the short and midterm will entail a substantial modification of its profile, ... a significant switch from the period of disinvestment” (Levit, 1998).

By the early 2000s, the area was being recognized as “a community on the mend.” A perception of progressive real-estate and transportation interventions had gained an imprint in the media and the city’s mainstream; all seemed to be progressing well. “Out of nowhere,” a developer commented, “a more robust and livable space seemed to be developing.” (in Arenes, 2000).
Expanding and deepening cultural and aesthetic consumption initiatives: cultural heritage policies

“The revalorization of San Telmo (...) is a fundamental trigger for the development of the South Area, prominent developer and ex Secretary of the Urban Planning Department” (in La Nación, February 27, 2000).

“… the citizens are willing to put their heads in the cultural development of their neighborhoods …. This response shows that the neighbors push to have a cultural life” (in Arenes, 2000).

In San Telmo, the redevelopment process from here had a different focus than in La Boca. The local governance here emphasized cultural policies and programs (“Cultural Heritage”) to renew San Telmo. These policies, launched in local planning, initially focused on the beautification, restoration, and renovation of public spaces (see Carman, 2006). Thus, a $10 million pesos city-initiative in San Telmo beautified the promenades with cobblestones, façade restoration, and new lighting (Insiarte, 1999) along in Balcarce and Chile streets (Rodriguez et al., 2008). These renovations were done in former well-established tourist areas dotted with restaurants, theatres, museums, and tango venues (Gomez and Singh, 2008). By the early 2000s, cultural heritage policies turned to transforming degraded and abandoned areas (Gomez and Singh, 2008). These policies revitalized the neighborhoods in new ways: they delimited the “graft-onto-the established-culture” spaces that fueled the ongoing restructuring (Reich 1997). In the process disinvested parking lots, warehouses, homes, and lots became new redevelopment targets with the intent of integrating them into the established blocks of upgrading (Gomez and Singh, 2008). Comments by a local real-estate agent noted this: “… there is plenty of abandoned houses, disinvested petit hotels, it is a sad area, [in reference to the areas beyond the Dorrego central square in San Telmo] very degraded... but there are more museums, ferias, cafes ... those
are historical jewels in the neighborhood...” (in Ostuni, 2008: 249). To this agent, the area’s restructuring required an integration of these elements.

As part of the revitalization process, the governance offered two incentives to entrepreneurs and homeowners interested in investing and/or refurbishing residential and commercial property. In 1999, mortgages were offered through the City of Buenos Aires Bank which was to be paid back in 20 years. This incentive was intended to help homeowners buy or refurbish their houses in the areas delimited by the HPAs, such as Bernardo Irigoyen, Brazil, Avenida de Mayo, and Paseo Colon (La Nación, October 13, 1999). Paralleling this initiative, in 2000 the Subsecretary of Cultural Heritage introduced a tax abatement of three years to people and entrepreneurs interested in neighborhood living. Due to the increasing budget and number of cultural programs and policies launched, in 2000 the cultural heritage policies switched management to the Secretary of Heritage, Culture and Tourism; they had been under the management of the Secretary of Urban Planning since the early 1990s (Gomez and Singh, 2008). By early 2003, the local government reinforced the cultural heritage policies investing three million dollars in a program called “Programa de Recuperación del Centro Histórico del Gobierno de la Ciudad de Buenos Aires” (Program for the Restoration of the Historical Quarter of the Buenos Aires) (GCBA, 2004). This program consisted of four policies to extol the symbolic, cultural, and aesthetic value of the Historical Quarter and provide incentives for investment: a) tax exemption for protected buildings, b) free workshops to restore facades, c) programs for the heritage awareness, and d) promotion of cultural activities (GCBA, 2003).

La Boca, similarly, had cultural policies and programs launched in 2004. At the core of this was the establishing of a new exhibition space with a permanent display oriented to promoting art, cinema, feria preservation, tango exhibitions, and artisan work in a space known as “Usina
Cultural” (Cultural Plant) (La Nación, October 9, 2004). The Corporation South Buenos Aires helped advance this initiative. As previously noted, this institution acted as a public-private developer to economically boost the “unproductive lands” of the south area. Here, the Corporation offered one of its buildings to host this permanent exhibition, previously transferred to its own domain by the city government.

At the center of these programs too was a rhetoric to extol the virtues of these policies (see table 6). This rhetoric – steeped in a “cultural pole” conception -- strived to normalize the sense of a re-made south area. This rhetoric featured a re-sculpted area as a new growth foci for Buenos Aires that would allow the city to flourish economically and culturally. All that Buenos Aires ostensibly could be – a magnetic, economically and culturally compelling city -- could be made possible through the redeveloping of this south area. These neighborhoods, then, would mirror the city growth aspirations and help this become a reality. Thus, the media noted: the desire is to have …“San Telmo [be a], neighborhood of traditions, open its arms to a new wave of art, propelled by the Secretary of Culture that … create[s] a cultural pole of attraction, meters from Plaza Dorrego” (in Lastra, 1997). To a prominent city developer, “We have culture, museums; we have entertainment centers with Tango and others with classical music, … everything that the culture does…” (in Herzer, 2008: 246). Similarly, the director of the Museum of Modern Art noted: “The city of Buenos Aires government has understood that it is important to develop the South, and this neighborhood will be one of the major poles of attraction” (in La Nación, February 27, 2000).

These pronouncements were enabled by powerful metaphors at their base. Perhaps most fundamental was the metaphorizing of residents as culturally desirous beings. Residents, it seemed, had a hunger for the very “sustenance” that this cultural infusion could provide.
Residents here desired this culture in an unfettered appetite that took the form of a kind of “fuel to sustain them”. Thus, to a builder of houses in the south area, “these people thirsted for the kind of cultural opportunities that the new redevelopment could provide. The city knew what they were doing .. it was giving people what they wanted—the historical, proud cultural traditions and ways of this area and the people” (December 12, 2006). A developer in the area termed the new redevelopment to me “a cultural movement that fed the aspirations of these south area residents” (December 12, 2006). More of this redevelopment, it seemed, would feed the appetite of a citizenry and enable the area to be functionalized to drive the new Buenos Aires restructuring and rejuvenation. Identities, now, would be actualized by welcoming and participating in tango venues, antiquaries, ferias, cultural workshops, art galleries, museums, etc

Results of the cultural heritage policies were remarkable: “properties for commercial use [in San Telmo] ... increased their value by 40 percent between 1998 and 2003 (CEDEM, 2003). A wealth of pronouncements were offered by real-estate representatives, government officials, and local residents expressing that this area was prospering from these policies: “If until now San Telmo has been a synonym of the lowest property rates in the south of the city, (…), today [the neighborhood] is recovering new waves (…)” (La Nación, February 27, 2000). Many local homeowners also endorsed this renovation trend: “something is changing in the new neighborhood. The 120 hectares between Chile, Piedras, Caseros, Defensa, Martin Garcia, Paseo Colon, Brasil e Ingeniero Huergo are starting to see a new light” (Interview with San Telmo’s residents, in La Nación, February 27, 2000). Contributing to the neighborhood revalorization was the influx of three million foreign tourists who visited the city in 1999 (La Nación, February 27, 2000). Not unexpectedly, city-wide spending (as measured by sales in all economic sectors) rose by 12% between 1998 and 2003 (CEDEM, 2003).
Commercial boom in San Telmo and La Boca: expansion of retail stores, antiquaries, hotels, and art galleries

As discussed, since 1996, the south area advanced its physical transformation with new institutions and legal instruments to reactivate the land market, new infrastructure, new spaces for cultural and aesthetic consumption, and other incentives. Yet, the 2001-2002 economic crises hit the local real-estate community hard, and wiped away every porteño’s drop of hope for investment. But surprisingly after the economic crisis, unexpected favorable material conditions - even better than before the crisis - generated reinvestment in the south area (by developers, builders, and especially homeowners). Two years after the economic crisis, two major forces propelled this area to re-emerge as a leading edge of city redevelopment greatly reduced real-estate market prices and the release of confiscated pre 2001 deposits.

In late 2003, the devalued national currency and the low property prices compared to other global cities (London, Chicago, San Pablo, Madrid) became major incentives for foreign investors to buy properties in San Telmo and La Boca (Herzer, 2008). This point was remarked by a local prominent real-estate agent: “the architecture, the bohemian spirit and the low value in dollars of the properties in San Telmo are irresistible for the foreign investors. In the last two years the number of property purchased increased in 20% and the area has become one of the principal sites of temporal rent for foreigners. The more expensive areas are precisely, the more touristic: the Dorrego Square and the Lezama Square” (in Clarín, March 15, 2005).

After the economic crisis, San Telmo unexpectedly experienced a residential and commercial investment boom (Figure 22); the last one was clustered around the historic districts delimited by the Historic Preservation Areas (HPA). Commercial development, hotels, hostels (Figure 23), and restaurants also flourished in this neighborhood. Here, the middle income

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46 Name attributed to the residents of Buenos Aires.
sectors that could “use” their confiscated deposits and the rise of foreign real-estate investors were combined with the affluence of long-term tourists to rent or buy properties in San Telmo. In other cases, students from different parts of Latin America were attracted by the modest rent prices and presence of public universities\(^{47}\) nearby this neighborhood (Herzer, 2008).

As the media noted: “San Telmo (...) has turned into a place preferred by tourists from different countries that in most cases have decided to invest in properties” (in La Nación, April 6, 2003). “In the last few months we sold properties (...), [that] were kept by Spanish, Swiss, Italians (...)” (Interview with real-estate agent, in La Nación, April 6, 2003).

Figure 22: Vacant apartments. Note: The word “vende” in Spanish means “sold”.

Source: Photograph taken by the author (December 2009).

\(^{47}\) It should be noted that Argentina’s higher education is mostly free, public and highly qualified.
By 2003, San Telmo had registered a major increase in retail stores (CEDEM, 2006). Thus, in terms of hotel expansion, in less than two years, ten hotels were launched in San Telmo: Axel, Hotel Babel, Moreno, Ribera Sur, Telhmo Hotel, The Cocker, 1890 Hotel Boutique, and Mansion Vitraux. In this boom, the so called “hotel boutiques” became the most prolific and successful ones in combining less investment than a regular hotel (about $80,000 and $120,000 dollars per room and the investment is approximately recovered in the 5th year) with significant profits (Murciego, 2009). A hotel manager commented that: “The majority of investors are foreigners who are looking for actives that most likely won’t lose value … San Telmo together with Palermo, La Boca and Puerto Madero are the most demanded places by foreigners” (in Murciego, 2009). In 2008 developer DYPSA inaugurated “Young and Stones”, a 50-unit building; and in the same year, Fernandez Prieto y Asociados launched a refurbished 8-story building named “Palacio Raggio”, which comprised 20,000 square meters.

The bulk of these new redevelopments became celebrated rather than contested by residents. A survey conducted in 2005 in approximately 473 households (Di Virgilio, 2008:158) revealed that 69.8 percent of the interviews supported San Telmo’s physical renewal. This support was said to enhance improvements in aesthetics and environment (quality of services, cleanliness, security, facade restoration, and building and lighting improvements). Yet, for some of the eateries and stores that for decades had been managed by local owners, the commercial boom in San Telmo was not welcomed, as expressed by a local resident: “the new stores replaced the classic ones: hair salons, poultry stores, and pastry stores to art galleries and cloth shops” (in Clarín, July 2, 2006).
In the case of La Boca, the revitalization and revalorization of the neighborhood were still confined to commercial properties clustered in the tourist enclaves of Caminito and Vuelta de Rocha (CEDEM, 2006:15). A prominent endeavor in this period was the expansion of the art gallery “Fundación Proa” with the aid of developer Fundación Rocca (La Nación, March 21, 2008) (Figure 24). This building expanded from 750 m² to 2,300 m², which spanned three floors. Yet, investment did not move out of already established reinvestment nodes Herzer, 2008), as the following quote from a local resident illustrates: “We’re within 5 blocks from Caminito, but that is another whole world. Here tourists don’t come, that’s why nobody cares how we live”, complained Sonia Silva (in Clarín, January 15, 2009). As discussed, in the popular imaginary La Boca is known as disinvested, plagued with floods, and having highly active grassroots organizations that discourage real-estate involvement (Smith, 1996).
Figure 24: Fundación Proa

Source: www.fundacionproa.com (retrieved June 2011)

Figure 25: Fundación Proa (2) View to the Riachuelo River

Source: www.fundacionproa.org (retrieved June 2011)
La Boca has also maintained low residential property prices compared to the rest of the city. In 2001, the price per square meter dropped to 10 percent with respect to 1996. In 2003 ($253) and 2004 ($372), subsequent increases were registered although still not reaching the value of 1996 ($623). Real-estate agents maintained that during the post-crisis period the square meter was still lower than the prices before the crisis (out of 518 records taken, see Ostuni et al., 2008). All in all, San Telmo, and to a less extent La Boca, experienced revalorization after the economic crisis over different land uses and should be reminded that the local homeowners constituted one of the main actors to advance redevelopment in the south, particularly in San Telmo.

Neoliberal redevelopment’s subtly changing rhetoric

“... neoliberalization .. is no bloodless, semi-automatic process, but the work of situated political actors, who along the way displayed just every human flaw, coupled with a share of vision and determination” (Peck, 2010, xii).

If until the late1990s redevelopment projects in this south area were mostly focused on renewing physical infrastructure and expanding highways, then in early 2000 they were oriented to expanding spaces for cultural aesthetic consumption, such as historical buildings, art galleries, museums, tango venues, historical squares, antiquaries, etc. I have discussed how programs and policies such as the “cultural heritage”, as neoliberal redevelopment governance envisioned attracting more investment, were ultimately oriented to cultivate a notion of the neighborhoods as cultural poles of attraction.

But paralleling this new orientation was a subtly revised governance rhetoric that became more stigmatizing of people and spaces. As redevelopment accelerated, desires to remove
“undesirable” people and land uses increased. In this context, common portrayals of south area people and blocks became more strident, accusatory, and “revanchist.” After 2005, then, perceptions of greater profitability was the fuel to run these elements through a lens of pejorative presentation, a finding that has also been noted in other areas across urban Latin America and beyond (see Miraftab, 2004, 2008). Thus, the ocupas were now commonly labeled as culturally deficient and non-civic citizens: “.. the occupied houses keep constituting a terrible malaise, .. usually they are used to shelter undesirable people” (La Nación, March 29, 2000).

An exemplary case to illustrate this rhetorical transition is the ex-orphanage center in San Telmo, popularly known as the PADELAI. In the late 1970s this public building was abandoned and in 1984 became a squatter settlement managed by impoverished and homeless families (La Nación, March 29, 2000). This is a complex case of shared property rights where 70 percent was owned by a cooperative built by the ocupas, 25 percent by the local government, and 5 percent by both entities. Since 2005, PADELAI has been virulently represented in the south area. In particular, it has been identified as a community scarring element that has little role to play in a rejuvenating south area. The local press, for example, has identified PADELAI as “a remnant of a past time .. a land-use now fundamentally incompatible with the changing character of the area” (La Nación, March 29, 2000). PADELAI, in the process, became a media “whipping boy” that had to be transformed so as to ensure that the area’s orderly redeveloping not be disrupted. Two years of sporadic resistance proved futile. The result was that the facility was closed in 2005. Without the escalating pronouncements of physical degeneration and social pathology, the eviction of the PADELAI would probably not have been successful.

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48 Parallel to this, a lack of housing stock was revealed, but for low-income sectors, in a report released by the Institute Gino Germani, a prestigious research institute dependent on the University of Buenos Aires: 340,000 citizens were reported with housing problems (La Nación, November 1, 1999).
49 The residents also paid for all the public utilities since they started living there (Aldao, 1998).
The PADELAI building became a symbol of how a neoliberal punitive rhetoric fits this scenario perfectly. More land had to be cleared out to accommodate new middle incomers, retail stores, cultural projects, and housing investments, especially in neighborhoods where tourism and foreign investment were in constant flux. In 2003, it was the scene of one of the most violent evictions that, with tear gas and sticks, moved out 14 of the many impoverished families that have lived there for about 19 years (Figures 26, 27, and 28).

Figure 26: Eviction of the PADELAI (February, 2003)

Source: Google images on PADELAI, anonymous (2011)
Figure 27: PADELAI in 2003, closed by the city government

![PADELAI in 2003, closed by the city government](image1)

Source: Google images on PADELAI, anonymous (2010)

Figure 28: PADELAI, closed by the city government. The big sign announces the upcoming Spanish Cultural Center.

![PADELAI, closed by the city government. The big sign announces the upcoming Spanish Cultural Center.](image2)

Source: Google images on PADELAI, anonymous (2010)
Today, the closure of the PADELAI mirrors the reality of the area. The 187 families living in the building were forcibly displaced (La Nación, February 26, 2003); the local government offered different compensations to the evicted individuals and families, depending on their former property rights and/or entitlements: Some families and individuals received vouchers, others received monetary compensation, and others were left without any compensation. The eviction took two years, and invoked a wealth of public commentary. A month after the final eviction, a reporter from Daily La Nación gathered some perceptions from residents about the neighborhood’s physical and social change: “The neighborhood has changed. The difference is evident. And this is noted not only by the people who occasionally visit [San Telmo’s] squares, exquisite antiquaries and historical coffee shops. Also this is seen by the neighbors- some of them living here for more than 50 years- who said to be relieved after the PADELAI (...) was demolished by the Buenos Aires City Government last February, 26” (La Nación, March 14, 2003). Real-estate agents also noted that San Telmo is not as insecure now as it used to be, “it has been cleaned up with the tearing down of the PADELAI” (Interview, December 2009).

Finally, in August 2009, the fortune of the PADELAI was revealed. It took only 6 days for the local congress to pass a bill and give the building of 5,970 square meters to the Centro Cultural de España (Spanish Cultural Center-later SCC) in exchange for transforming the building into a cultural center with only a few conditions: The center had to be revamped, and the SCC would be responsible for the cultural programming (see Blogspot, 2011). This initiative was also supported by real-estate agents, who envisioned bulky profits and an “innovative place for the [artistic] Latin American market” (La Nación, December 22, 2000).

Besides causing a major public turmoil in the neighborhood, the change in this land use to a tourist oriented cultural center reflects the power and increased normalization of the cultural
heritage rhetoric. This rhetoric became a kind of aperture through which the south area could be restructured for more affluent habitation and more affluent consumption. As part of a growing movement to re-make Buenos Aires a more culturally consumable milieu for tourists and outsiders, the agenda was in line with the aspirations of the emergent redevelopment governance as it interacted across the city. In the case of La Boca, a sense of crime, pathological population, and crumbling houses also obliterated renditions of the conventillos. For decades, deindustrialization, immigration, and overcrowded buildings became associated with the conventillos that also attributed a “bohemian” character to La Boca (Carman, 2006; Lacarrieu, 2008). Yet, a punitive rhetoric towards the physical settings and population immediately started when the Riachuelo riverfront was revamped (1996-2000) as well as later attempts to evict the conventillos, as previously noted (see table 2). To the local government, the evictions were necessary as the targeted buildings were considered in a state of despair and unhealthy conditions (Pizzi, 2008). Yet, the attacks to the conventillos became more acute and punitive after the economic crisis. One of the voices commented: “[the conventillos] are marginal places, where the poverty is next to the alcohol, the drug and other miseries” (Interview to real-estate agent in Clarín, February 03, 2004). Pathological narratives about people also filtered real-estate agent perceptions of the conventillos’ residents, “Everybody knows [that] in La Boca […] there’s people, […] that dedicate to do other things. They don’t dedicate [their time] to work […] The ones who inevitably will have to abandon the neighborhood are the ones who live in occupied houses […] [conventillos] the ones who don’t work, the bad people” (Interview with real-estate agent, July 12, 2007). Local homeowners have also widely supported these evictions. As discussed, a more punitive rhetoric deepened and escalated as the demand for housing was increasing and an influx of foreign investors was taking advantage of the favorable land market
prices in the south area. For example, the Daily Clarín expressed the following: “(...) the land is desirable in the neighborhoods that are punished by the ocupas” [Constitución, La Boca, San Telmo, or Montserrat] (Clarín, September 13, 2008).

Adding to this housing controversy, people evicted from abandoned buildings have notably increased since 2003 coinciding with the new local administration. A total of 253 evictions were registered in 2008 for the entire city, affecting 1,700 families (Pizzi, 2008). As the Chief of the Executive Cabinet eloquently noted: “slowly and in silence, the evictions are being done” (Clarín, January 18, 2009). Two policies were executed to facilitate the process of eviction and displacement of population. In 2008, a local law that used to prohibit evictions and displacements for occupying abandoned public buildings was repealed. This law was reinforced by transferring the crimes for occupying abandoned buildings from the federal judicial branch to the local one, which was apparently done to more rapidly to execute the evictions (Clarín, January 19, 2009). Due to these modifications, the evictions marched steadily and faster than five years ago (Clarín, January 18, 2009).

In closing, the PADELAI in San Telmo and conventillos in La Boca were communicated as one of the major “pathological and urban plagues” to the city’s cultural and integrated city initiative, in the form of “crumbling infrastructure” and “undesirable population”. Suggestions, more explicit than before, pushed to eradicate negative cultural forms and sharpened to eradicate poverty and marginality.

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50 Since the usurpation crimes got transferred to the local justice, the cases are resolved faster than when the cases were in the federal justice. To the City General Prosecution, out of 210 cases that entered in June 9th - when the transfer happened - 75% were resolved in a month and only 25% took more time (Clarín, September 13, 2008). The trials now last less than 30 days.
All in all, we have seen that the redevelopment projects have been advanced, with low levels of contestation, if not celebrated. Yet, the PADELAI and conventillos in La Boca, as noted, are the exception as people fought to keep these shelters alive.
CHAPTER VII:
DISCUSSION AND CONCLUSION
This study has strived to deepen and nuance our understanding of the notion contingent neoliberal redevelopment governance. To enhance our understanding of this formation, I suggest four processes need to be recognized. First, that neoliberal redevelopment governances construct and use humanly made space in at least two forms (actual physical spaces and imagined mental spaces) to infuse its projects with form, meaning and legitimacy. Second, these formations are elaborate cultural projects that tap and work through common understandings of people, places, and processes to work. Third, these governances are fluid and evolving as they negotiate shifting politics, changing economic circumstances, and evolving human understandings in their places of interaction. Finally, these are historically-geographically specific constructions. In this study, I reveal that all of these four dimensions are significant to stretching our understandings of this formation in the settings of Chicago (the Pilsen area) and Buenos Aires (the south area).

My results thus suggest that the widespread way to understand these governances – as trans-locality monolithic entities -- is superficial and misleading. In much current work in urban geography and urban studies, these governances are treated as unproblematically generalizable entities across cities. Here, one city’s neoliberal redevelopment governance is essentially the same as all other urban redevelopment governances. Moreover, this work overwhelmingly treats these entities as “top down” units that gain their strength, rhetorical core, and mission from trans-local forces that ”penetrate” the local.

Alternatively, my work supports the notion that these governances are something very different: they are significantly different entities across places as locally constituted formations. On the ground of the local, I suggest, these formations are humanly crafted and able to achieve the sustenance of legitimation and reproduction. To be clear, these formations do not arise in isolation; they are profoundly influenced by societal structural forces. But it is in the local, I find,
that such forces are fundamentally mediated, made sense of, assigned distinctive meanings, and
acted on that ultimately breaks down the traditional, simple distinction between “the local” and
“trans-local.”

In this context, I find that Chicago’s neoliberal redevelopment governance has been acutely
disciplining spatial and cultural forms constituted and refined to fashion a globally competitive,
consumption-oriented city. Anxiety and fear that the city of Chicago will not be economically
healthy enough and able to compete with other cities in the global spectrum has driven most of
the policies in Chicago. In this sense, gentrification, as an urban policy, has been lavishly
extolled by the redevelopment governance as something to heal struggling neighborhoods,
putting best cultural forms forward, and increasingly generating revenues for the city. In the
process, Chicago’s neoliberal redevelopment governance adroitly offers key mental/imaginary
spaces to normalize and rationalize its projects. Now neoliberal redevelopment governance
communicates the need to upgrade “old” neighborhoods and make them “new” to fit and serve
the city’s globally competitive project. A “new” neighborhood, to neoliberal redevelopment
governance, is the one physically and socially transformed to an upper-income aesthetic and
utilitarian community inhabited by civically progressive and productive people.

These two imaginary spaces are elaborated spatial constructs that profoundly affected
redevelopment in Pilsen. An “old” Pilsen is now rendered as a standard Chicago stereotype: a
“ravaged-depressed space” with current high-crime, gritty, Mexican neighborhoods emblematic
of a bygone industrial era. It has a poor, service-dependent population and a factory-era aesthetic
that make it a relic in a postindustrial city. This old Pilsen contrasts with a “new”, potentially
“prosperous and orderly ethnoscape” that communicates an orderly community, tranquil streets,
sense of prosperity and cohesiveness. To this governance, gentrification would inevitably happen
but little would be compromised or sacrificed in this supposed long-overdue updating of Pilsen.
These two spaces together offered a logic site for redevelopment in Pilsen to meet the needs of a
globally-oriented city. New patterns of consumption, production, and civic responsiveness would
renew each neighborhood and Chicago.

Alternatively, Buenos Aires’s neoliberal redevelopment governance fits a different
reality. This governance has mobilized a glut of public resources (physical infrastructure, public
land, subsidies, and political power) to choreograph a distinctive culturally-driven and socially
integrated city. In the process, Buenos Aires’ neoliberal redevelopment governance offers
imaginary spaces to rationalize its projects in a different way than in Chicago. Attention is
steered to renewing the physical infrastructure and historical-cultural buildings of the long-time
disinvested neighborhoods but without exacerbating fear and anxiety to protect the city’s
economy and growth. La Boca and San Telmo, as seen, are rendered as less “chaotic”, “derelict”
and “pathological spaces” than Pilsen. Common local stereotypes in La Boca and San Telmo
infused proclamations to upgrade “infrastructurally deprived spaces” and make them “robust and
livable spaces”. The first space has historically characterized the south area, emblematic of a
bygone industrial area, with insufficient physical infrastructure, housing and services. It has a
“proletariat” population and a warehouse-era aesthetic, bearing the marks of decades of de-
industrialization, disinvestment and dilapidation in the south area. The new “livable and robust
spaces” envisions a well-serviced community (i.e. good provision of services, livable museums,
art galleries, historical buildings, etc.) and more consumptive-oriented community. These two
spaces together offer a logic site for redevelopment in La Boca and San Telmo. New patterns of
cultural and aesthetic consumption would renew and socially integrate La Boca, San Telmo and
Buenos Aires.
As cultural projects, Chicago’s redevelopment governance strives to cultivate common understandings to contribute to the city’s economic aspiration (global project). That is, this governance toils to render Pilsen an authentic ethnic neighborhood (a Mexican barrio) whose commodification and gentrification can help push forward the city’s go-global redevelopment project. This rhetoric, then, extols ethnicity to make it visible and consumable as a city cultural good. Pilsen, as much as any neighborhood in Chicago today, illustrates this governance push to commodify and functionalize ethnicity to drive the city’s economic aspirations. Pronouncements about Pilsen as an ethnic enclave, and as the “Mexican Mecca of the Midwest”, vividly reflect of how this neoliberal redevelopment governance pushes to make neighborhoods functionally utilitarian. In the process, residents are caricatured as authentic, rooted and forever proud Mexican Americans (ethnic infused-beings), symbolically captured in ethnic restaurants, kind push-cart vendors, authentic art galleries and museums, ethnically preserved shops, and ritualized street fairs.

In Buenos Aires, the neoliberal redevelopment governance negotiates and serves up different understandings to solidify its projects. One is most central: concerns about a “culturally-driven and socially integrated city” where culture constitutes a monolithic entity that mobilizes the city’s redevelopment, growth and social integration. In other words, Buenos Aires neoliberal redevelopment governance pushes to build a city that celebrates social integration while it deepens and expands spaces for cultural and aesthetic consumption (considered unique, historical, characteristic, and prestigious) as means to attract investment. The San Telmo and La Boca neighborhoods, as discussed earlier, are rendered as quintessential cultural enclaves or “cultural poles of attraction”, authentic jewels for the city’s integration and growth. In these cultural enclaves, residents become “culturally-infused beings” symbolically captured in
historical buildings, antiquaries, workshops, tango venues and museums offered by these neighborhoods.

I also reveal that these redevelopment governances in Chicago and Buenos Aires are processural. These formations continuously negotiate and adjust to shifting social, political and economic circumstances as they plan, scheme, and conduct encounters across their city and their neighborhoods. Thus, their rhetoric and actions change and evolve in response to multiple things: changing political realities, actual contestation, morphing social times, and to new opportunities for redevelopment and development. This study chronicles that neoliberal operations are continually under contestation that are always being negotiated and responded to. I revealed the shifting rhetoric of neoliberal redevelopment governance in Chicago in response to changing realities and contestation: new city economic realities, increased impoverishment and hunger, unemployment, increasing protest to stall redevelopment projects. Disciplining ethnic neighborhoods through punitive/revanchist rhetoric to advance development (1990-2005), at a critical moment, was deemed an increasingly problematic tactic and something that needed to be refined. In the process, the governances showed itself to be adroit, enacting a subtly more humane rhetoric about people and places that could also do the bidding of its redevelopment designs. Thus, from (at least) 1990 to 2005, social pathologies were identified as characterizing the Latino community of Pilsen. However, post 2005, renditions of Pilsen Latinos progressively changed to introduce a more subtle, more humane person and community. Buenos Aires’ neoliberal redevelopment governance also adjusted its rhetoric in response to changing realities. Tolerant policies towards the population-ocupas-living in the abandoned buildings and conventillos were all but abandoned; they were proving unsuccessful as an increasingly unpopular narrative about local conditions. The result is that this formation turned more punitive
and harsh; locals and their blocks became increasingly presented as obstructions to normative city functioning and impediments to the public good. Even as a city-wide cultural unity and city heterogeneity was being espoused, governance articulations now had these people and neighborhoods as civic outliers who simply were not functioning as integral to “the desired city.” Between 2003 and 2006, suggestions, more explicit than before, pushed to eradicate abandoned buildings (“urban plagues”) and negative cultural forms resulting from these spaces (“undesirable ones”, “bad people”). Additionally, between 2007 and 2008 the number of evictions and displacements in the city rapidly escalated resulting in increasing levels of social marginality and deprivation.

In sum, then, I suggest that current neoliberal governances are best conceptualized as a series of differentiated, process-based, and space-mobilizing constructions in new political and economic times. These governances, in general principal, are outgrowths of new economic times and circumstances. In their routine operations, they are constituted and re-constituted through the vagaries of the situated: political cultures, economic bases, and cultural understandings. They are ultimately constituted and work through a dialectic of multi-scale forces that render them distinctly place rooted formations. Always “wearing” the imprint of societal and global structures, they forever refract these through sensibilities of place rooted cultures, political conditions, political cultures, and place-idiosyncratic meanings.

Finally, on the public policy front, this study sheds light on critical points for public intervention in efforts to build a more just and sensitive oriented city. First, a more just redevelopment can be aggressively pursued in these cities based on the nuanced knowledge that this redevelopment is fundamentally locally constituted, locally driven and humanly crafted. Second, local culture and local space represent domains/dimensions for the construction,
refinement and reproduction of current redevelopment. Programs, policies and institutions created to modify and refine redevelopment’s form and impacts, it follows, can fruitfully work through these domains for desired results. Third, meaningful social change and the transforming of redevelopment governances often begin with something “supposedly” minor: rhetorical modifications of human identities and communities. For example, for public Chicago to consider the struggle of the Latino/racialized poor in more humane, structurally-based ways opens up possibilities for stepped-up mainstream criticism and discredit of ongoing redevelopment. For public Buenos Aires to render the ocupas in less humane and complex ways, could trigger movements of resistance. In fact, this resistance to eviction and displacement is currently being energized and has reached international scope.


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